

**AUDITOR'S REPORT  
BALANCE SHEET  
AND  
PROFIT & LOSS ACCOUNT  
OF  
THE PUNJAB STATE  
COOPERATIVE BANK LTD.  
CHANDIGARH  
AS ON 31-3-2021**

**CHARANJIT SINGH & ASSOCIATES**  
Chartered Accountants

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Adjoining Red Cross Bhawan  
Surya Kiran Building, Mall Road  
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**INDEPENDENT AUDITOR'S REPORT**

The Managing Director,  
The Punjab State Co-operative Bank Limited,  
Chandigarh

1. We have audited the accompanying financial statements of The Punjab State Cooperative Bank Limited, ("the Bank") as at 31st March 2021, which comprises the Balance Sheet as at 31st March, 2021 and the Profit & Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The LFARs of Head office and 18 branches audited by us are consolidated in these financial statement.

**Management's Responsibility for the Financial Statements:**

2. Management is responsible with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India and of the guidelines issue by the Reserve Bank of India and the guidelines issued by the Central Registration of Co-operative Societies, the Multi State Cooperative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002 from time to time.  
The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 3 **Auditor's Responsibility for the Audit of the Financial Statements.**  
Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error

and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and as part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

**We also**

- ★ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ★ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ★ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are, inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- ★ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**4 Key Audit Matter (Modified Audit Procedures carried out in light of COVID-19 outbreak):**

Due to the outbreak of COVID-19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel and carry out the audit processes physically at some Branches.

Accordingly, we modified our audit procedures as follows:

- a) Wherever physical access was not possible, necessary records/ reports/ documents were made available to us by the Bank through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us on which were relied upon as audit evidence for conducting the audit and reporting for the current period.
- b) Conducted verification of necessary records/documents/electronically through digital medium, emails and CBS in respect of Branches and other offices of the Bank wherever physical access was not possible.
- c) Carried out verification of scanned copies of the documents, certificates and the related records made available to us through digital medium/emails over secure network of the Bank.
- d) Making enquiries and gathering necessary audit evidence related to branches from Head office of the Bank through telephonic communication and e-mails.
- e) Resolution of our audit observations on telephone/through email instead of a face-to-face interaction.

5

**Opinion :**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Notes thereon give the information required by the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002 and the Multi State Co-operative Societies Rules, 2002 and guidelines issued by Reserve Bank of India and the Central Registrar of Cooperative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of state of affairs of the Bank as at 31st March 2021
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For M/s Charanjit Singh & Associates  
Chartered Accountants**

**CA. Avneet Singh (Partner)  
UDIN - 21526217AAAACU7470  
Place : Ludhiana**



**THE PUNJAB STATE COOPERATIVE BANK LTD., CHANDIGARH**  
**THE THIRD SCHEDULE (SEE SECTION-29) FORM "A"**  
**FORM OF BALANCE SHEET**  
**AS ON 31st MARCH 2021**

FIGURES AS ON 31.3.2020

CAPITAL & LIABILITIES

FIGURES AS ON 31.3.2021

Rs.	P.		Rs.	P.	Rs.	P.
		<b>I CAPITAL</b>				
		i) <u>Authorised Capital</u>				
2000000000.00		20000000 shares of Rs 100/- each			2000000000.00	
		ii) <u>Subscribed Capital</u>				
1670064000.00		16941338 shares of Rs 100/- each	1694133800.00			
		iii) <u>Amount Called up</u>				
		On 16941338 shares of Rs 100/- each				
		Less Calls Unpaid - NIL				
		Of (iii) above held by :-				
0.00	a	Individuals		0.00		
1668064000.00	b	Cooperative Insitutions	1692133800.00			
2000000.00	c	State Government	2000000.00		1694133800.00	
		<b>2 RESERVE FUND &amp; OTHER RESERVES</b>				
1809350684.84	i)	Statutory Reserve	1853771984.29			
1571629018.90	ii)	Agri. Credit Stabalization Fund	1644581169.14			
152374151.84	iii)	Building Fund	152374151.84			
700000.00	iv)	Dividend Equalisation Fund	700000.00			
882166873.06	v)	Bad & Doubtful Reserves	930136206.47			
72128199.31	vi)	Investment Depreciation Reserve	72128199.31			
	vii)	<u>Other Funds &amp; Reserves</u>				
8511342.18	a	Employees Welfare Fund	12064626.14			
2303722.57	b	Cooperative Education & Training Fund	2303722.57			
28712305.06	c	Common Good Fund	30376888.40			
31604452.91	d	Share Transfer Fund	32289297.38			
17847822.82	e	Primary Cooperative Soc. Vikas Fund	19624464.80			
21867036.34	f	PACS & CCBs Development Fund	21867036.34			
0.00	g	Cooperative Development Fund	0.00			
227661849.19	h	Special Building Fund	248981552.93			
335868041.54	i	Provision for Bad & doubtful debt as per IT	366758532.47			
1514605769.00	j	Revaluation Reserve	1514605769.00			
192000.00	k	PROVISION FOR NPA (IRAC)	192000.00		6902755601.08	

8347587269.56

8596889401.08

**FIGURES AS ON 31.3.2020 CAPITAL & LIABILITIES**

**FIGURES AS ON 31.3.2021**

Rs.	P.		Rs.	P.	Rs.	P.
8347587269.56		B.F.			8596889401.08	
		<b>3 PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP CAPITAL FUND</b>				
		For Share Capital of :				
0.00	i)	Central Cooperative Banks	0.00			
0.00	ii)	Primary Agri. Credit Societies	0.00			
0.00	iii)	Other Societies	0.00			
		<b>4 DEPOSITS &amp; OTHER ACCOUNTS</b>				
		i) <u>FIXED DEPOSITS</u>				
9958950425.10	a	Individuals	10489604063.15			
20804934620.42	b	Central Cooperative Banks	18036481436.42			
865801633.00	c	Other Societies	881030743.00			
		ii) <u>SAVING BANK DEPOSITS</u>				
2642846982.50	a	Individuals	2437553573.79			
0.00	b	Central Cooperative Banks	0.00			
49001680.55	c	Other Societies	79265618.90			
		iii) <u>CURRENT DEPOSITS</u>				
179846915.41	a	Individuals	158621363.50			
998221753.73	b	Central Cooperative Banks	1640737765.10			
14886826.62	c	Other Societies	57087529.73			
138427.00	iv)	MONEY AT CALL & SHORT NOTICE	138427.00		33780520520.59	
		<b>5 BORROWINGS</b>				
		i) <u>FROM THE RESERVE BANK OF INDIA/THE NATIONAL BANK/STATE/CENTRAL COOPERATIVE BANKS</u>				
38304000000.00	a)	<u>SHORT TERM LOANS</u>			40670500000.00	
		Cash Credits & Overdrafts				
		Of which secured against :				
	A	Govt. & Other approved Securitites	0.00			
	B	Other Tangible Securities	0.00			

82166216533.89

40670500000.00

42377400000.00

**FIGURES AS ON 31.3.2020 CAPITAL & LIABILITIES**

**FIGURES AS ON 31.3.2021**

Rs.	P.		Rs.	P.	Rs.	P.
82166216533.89		B.F.	40670500000.00		42377409921.67	
3269640567.00	b)	<u>MEDIUM TERM LOANS</u>	2154494618.00			
		Of which secured against :				
	A	Govt. & Other approved Securites	0.00		0.00	
	B	Other Tangible Securities	0.00		0.00	
0.00	c)	<u>LONG TERM LOANS</u>			0.00	
		Of which secured against :				
	A	Govt. & Other approved Securites	0.00		0.00	
	B	Other Tangible Securities	0.00		0.00	
	ii)	<u>FROM THE STATE BANK OF INDIA</u>				
0.00	a)	<u>SHORT TERM LOANS</u>			0.00	
		Cash Credits & Overdrafts				
		Of which secured against :				
	A	Govt. & Other approved Securites	0.00			
	B	Other Tangible Securities	0.00			
0.00	b)	<u>MEDIUM TERM LOANS</u>	0.00		0.00	
		Of which secured against :				
	A	Govt. & Other approved Securites	0.00			
	B	Other Tangible Securities	0.00			
0.00	c)	<u>LONG TERM LOANS</u>	0.00			
		Of which secured against :				
	A	Govt. & Other approved Securites	0.00			
	B	Other Tangible Securities	0.00			
	iii)	<u>FROM THE STATE GOVERNMENT</u>				
0.00	a)	<u>SHORT TERM LOANS</u>			0.00	
		Of which secured against :				
	A	Govt. & Other approved Securites	0.00			
	B	Other Tangible Securities	0.00			

85435857100.89

42824994618.00 42377409921.67

**FIGURES AS ON 31.3.2020 PARTICULARS**

**FIGURES AS ON 31.3.2021**

Rs.	P.		Rs.	P.	Rs.	P.
85435857100.89		B.F.	42824994618.00		42377409921.67	
0.00	b)	<u>MEDIUM TERM LOANS</u>	0.00		0.00	
		Of which secured against :				
	A	Govt. & Other approved Securitates	0.00			
	B	Other Tangible Securities	0.00			
2821800.00	c)	<u>LONG TERM LOANS</u>	1975450.00			
		Of which secured against :				
	A	Govt. & Other approved Securitates	0.00			
	B	Other Tangible Securities	0.00			
	iv)	<u>LOAN FROM OTHER SOURCES</u>				
0.00	a)	SHORT TERM LOANS	0.00			
		(From Other Banks)				
0.00	b)	MEDIUM TERM LOANS	0.00			
0.00	c)	LONG TERM LOANS	0.00		42826970068.00	
0.00	6	Bills for Collection being bills receivable as per contra	0.00		0.00	
0.00	7	Branch Adjustments	0.00		0.00	
1052149099.02	8	Overdue Interest Reserves	1052696556.33		1052696556.33	
398229075.98	9	Interest payable	242206752.67		242206752.67	
	10	<u>OTHER LIABILITIES</u>				
36135220.24	i)	Bills Payable	34748654.45			
68824897.12	ii)	Sundries	121783009.40			
447350657.06	iii)	Leave Salary Contribution (CC & NCC)	409364040.06			
2578472.55	iv)	Gratuity Fund (NCC and CC)	2156.55			
6531293.96	v)	Security Payable	6587981.96			
125964.36	vi)	Reorganisation adjustable	125964.36			

**87450603581.18**

**572611806.78**

**86499283298.67**



FIGURES AS ON 31.3.2020	PARTICULARS	FIGURES AS ON 31.3.2021	
87450603581.18	B.F.	572611806.78	86499283298.67
820000.00	vii) Audit fees payable	820000.00	
593996.00	viii) Rent Payable	291972.00	
0.00	ix) Exgratia payable	0.00	
546700000.00	x) Contingent provisioning against Standard Assets	546700000.00	
3732083.64	xi) Establishment payable Account	1405325.00	
148990429.00	xii) Provison for Income Tax	86180735.00	
18356232.86	xiii) Misc. Payable	15206801.16	1223216639.94
	<b>11 PROFIT AND LOSS</b>		
177664197.80	Profit as per last Balance Sheet	404600804.11	
<u>0.00</u>	Less : Appropriations	<u>177664197.80</u>	
177664197.80		226936606.31	
226936606.31	Add : Profit for the year brought from the Profit & Loss Account	246346314.44	473282920.75
<b>88574397126.79</b>	<b>TOTAL</b>		<b>88195782859.36</b>
	<u>CONTINGENT LIABILITIES</u>		
4121875.00	i) Outstanding Liabilities for guarantees issued	368500.00	
0.00	ii) Balance of DEAF	6311000.00	
1004249.00	iii) Others (TDS Demand Outstanding)	12217081.00	18896581.00
<b>5126124.00</b>	<b>TOTAL</b>		<b>18896581.00</b>

**FIGURES AS ON 31.3.2020 PROPERTY AND ASSETS**

**FIGURES AS ON 31.3.2021**

	<b>1 CASH</b>		
	In hand & with Reserve Bank (The National Bank) State Bank of India, State Cooperative Banks, Central Cooperative Banks		1146470174.46
1091898583.89			
	<b>2 BALANCES WITH OTHER BANKS</b>		
82779864.52	i) Current Deposits		19878547.48
0.00	ii) Saving Bank Deposits		0.00
0.00	iii) Fixed Deposits		0.00
18579800000.00			1166348721.94
	<b>3 MONEY AT CALL AND SHORT NOTICE</b>		
		19322000000.00	19322000000.00
	<b>4 INVESTMENTS</b>		
	i) in Central & State Government Securities (At Book Value)		
	Face/Market Value	Rs 9022700000.00	
8384894533.00	Book Value	Rs 8978005720.00	8978005720.00
0.00	ii) Other Trustee Securities		0.00
1240200.00	iii) Shares in Cooperative Institutions other than in item (5) below		1240200.00
180000000.00	iv) Investment in Non-SLR	26000000.00	9005245920.00
	<b>5 INVESTMENT OUT OF THE PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND</b>		
	In shares of :-		
0.00	i) Central Cooperative Banks		0.00
0.00	ii) Primary Agricultural Credit Societies		0.00
0.00	iii) Other Societies		0.00
	<b>6 ADVANCES</b>		
48387929643.64	i) SHORT TERM LOANS		48971524113.08
	Cash Credits, Overdrafts and bills discounted		
	Of Which Secured against		
	a) Govt. and other approved securities	0.00	
	b) Other tangible Securities	Rs. 2381017786.55	
	Of the advances due from individuals	Rs. 362344703.62	
	Of the advances amount Overdue	Rs. 303904334.60	
	Considered Bad & Doubtful of recovery (NPA as per Annexure 'A')	Rs. 0.00	

**76708542825.05**

**48971524113.08 29493594641.94**

**FIGURES AS ON 31.3.2020 PROPERTY AND ASSETS**

**FIGURES AS ON 31.3.2021**

76708542825.05	B.F.	48971524113.08	29493594641.94
6249945755.95	ii) <u>MEDIUM TERM LOANS</u>		3077796282.55
	Of Which Secured against		
	a) Govt. and other approved securities	0.00	
	b) Other tangible SecuritiesRs	50841405.60	
	Of the advances due from individuals	Rs.663752857.53	
	Of the advances amount Overdue	Rs.104801957.38	
	Considered Bad & Doubtful of recovery	Rs. 0.00	
	(NPA as per Annexure 'A')		
1960865202.30	iii) <u>LONG TERM LOANS</u>		3132746956.48
	Of Which Secured against		
	a) Govt. and other approved securities	0.00	
	b) Other tangible Securities	Rs. 287809985.26	
	Of the advances due from individuals	Rs.115562010.76	
	Of the advances amount Overdue	Rs. 188081268.41	
	Considered Bad & Doubtful of recovery	Rs. 0.00	
	(NPA as per Annexure 'A')		55182067352.11
1785946738.60	7 <u>INTEREST RECEIVABLE</u>	1653427104.25	1653427104.25
	Of which Overdue	Rs 1052696556.33	
	Considered Bad & Doubtful of recovery	Nil	
0.00	8 <u>BILLS RECEIVABLE</u>	0.00	0.00
	Being Bills for Collection ,as per contra		
7443.43	9 <u>BRANCH ADJUSTMENTS</u>	0.00	0.00
1566536873.51	10 <u>PREMISES LESS DEPRECIATION</u>	1565477516.51	1565477516.51
8120441.77	11 <u>FURNITURE &amp; FIXTURE LESS DEPRECIATION</u>	7390271.82	7390271.82

**88279965280.61**

**87901956886.63**

FIGURES AS ON 31.3.2020 PROPERTY AND ASSETS

FIGURES AS ON 31.3.2021

88279965280.61	B.F.		87901956886.63
	<b>12 OTHER ASSETS</b>		
2375529.47	i) Advances	1274119.00	
13941780.14	ii) Vehicle, Library & Machinery less Depreciation	12418262.86	
5406670.10	iii) Misc. Recoverable	7526706.55	
22388177.61	iv) Misc. Adjustable	22828776.53	
77817178.00	v) Income Tax Refunds	102078187.00	
172502510.86	vi) Advance Income Taxes Paid	147699920.79	293825972.73
0.00	<b>13 NON-BANKING ASSETS ACCRUED IN SATISFACTION OF CLAIMS</b>	0.00	0.00

88574397126.79

**TOTAL**

88195782859.36

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

Sd/-  
Administrator

As per our separate report of even date annexed

Place : Chandigarh  
Dated : 27.07.2021

for CHARANJIT SINGH & ASSOCIATES  
FRN 015328N  
Avneet Singh  
Partner  
M.NO 526217  
21526217AAAACU7470



**PROFIT & LOSS ACCOUNT  
FOR THE YEAR  
2020-2021**

**THE PUNJAB STATE COOPERATIVE BANK LIMITED, CHANDIGARH**

**FORM "B"**

**FORM OF PROFIT AND LOSS ACCOUNT**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2021**

**FIGURES AS ON 31.3.2020**                      **EXPENDITURE**                      **FIGURES AS ON 31.3.2021**

4087360920.46	1	Interest on deposits, borrowings etc.	3642793919.32
443251961.80	2	Salaries & Allowances and Provident Fund	361050606.26
343438.00	3	Director's and Local Committee member's fees & allowances	288359.00
50312863.62	4	Rent, Taxes, Insurance lighting etc.	43049581.23
704505.00	5	Law Charges	880553.00
749595.26	6	Postage, Telegram & telephone charges	2730583.01
740678.00	7	Auditor's fees	763000.00
6227980.93	8	Depreciation on and repairs to property	6169791.95
1396936.94	9	Stationary, printing & advertisement etc	1876299.62
42934239.32	10	Other expenditure	44830241.01
34922183.61	11	Provision for NPA as per income Tax Act	30890490.93
148990429.00	12	<b>Provision for Income Tax</b>	86180735.00
226936606.31	13	<b>Profit after tax</b>	246346314.44

**5044872338.25**

**TOTAL**

**4467850474.77**

**THE PUNJAB STATE COOPERATIVE BANK LIMITED, CHANDIGARH**  
**FORM "B"**  
**FORM OF PROFIT AND LOSS ACCOUNT**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2021**

FIGURES AS ON 31.3.2020	INCOME	FIGURES AS ON 31.3.2021
4948952219.35	1 Interest and Discount	4450290938.90
289626.66	2 Commission, Exchange and Brokerage	192861.95
0.00	3 Subsidies and donations	0.00
0.00	4 Income from non-banking assets & Profit from Sale of or dealing with such assets	0.00
95630492.24	5 Other Receipts	17366673.92
<b>5044872338.25</b>	<b>TOTAL</b>	<b>4467850474.77</b>

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

Sd/-  
Administrator

As per our separate report of even date annexed

Place : Chandigarh  
Dated : 27.07.2021

for CHARANJIT SINGH & ASSOCIATES  
FRN 015328N  
Avneet Singh  
Partner  
M.NO 526217  
21526217AAAACU7470

## Annexure "A"

**THE PUNJAB STATE COOPERATIVE BANK LTD., CHANDIGARH**  
**ASSET CLASSIFICATION AND PROVISIONING STATEMENT**  
**(For the year ended 31st March 2021)**

(Rs. in Lacs)

1	2	SAO		ST (Non SAO)	Cash Credit & ODs	Bill Dis- counted. Purchased	Term Loans (All Types)	Other Assets	Total
		Short Term	Cash Credit						
		3	4	5	6	7	8	9	10
I	AMOUNT OUTSTANDING	306205.00	0.00	123247.78	60262.46	0.00	62105.43	0.00	551820.67
II	ASSET CLASSIFICATION								
1	Standard Agricultural	306205.00	0.00	119950.00	14.97	0.00	20273.63	0.00	446443.60
	Standard Others	0.00	0.00	3221.65	57367.47	0.00	39052.01	0.00	99641.13
2 a	Sub-Standard	0.00	0.00	8.10	3.03	0.00	205.70	0.00	216.83
b	Unsecured Overdues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Doubtful								
i)	Secured Overdue								
a	Over 3 years to 4 years	0.00	0.00	0.00	0.00	0.00	5.16	0.00	5.16
b	Over 4 years to 6 years	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c	Over 6 years	0.00	0.00	0.00	159.43	0.00	644.12	29.62	833.17
ii)	Unsecured Overdues	0.00	0.00	68.03	47.25	0.00	319.66	0.00	434.94
4	Loss Assets	0.00	0.00	0.00	2670.31	0.00	1605.15	1.92	4277.38
	<b>Total</b>	<b>306205.00</b>	<b>0.00</b>	<b>123247.78</b>	<b>60262.46</b>	<b>0.00</b>	<b>62105.43</b>	<b>31.54</b>	<b>551852.21</b>
III	PROVISIONING REQUIRED								
1	Sub-standard	0.00	0.00	0.81	0.30	0.00	20.57	0.00	21.68
	Unsecured @ 100%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Doubtful Assets								
i)	20% of item II (3) (I) (a)	0.00	0.00	0.00	0.00	0.00	1.03	0.00	1.03
ii)	50% of item II (3) (I) (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
iii)	100% of item II (3) (I) (c)	0.00	0.00	0.00	159.43	0.00	644.12	29.62	833.17
iv)	100% of item II (3) (ii)	0.00	0.00	68.03	47.25	0.00	319.66	0.00	434.94
3	Loss Assets								
	100% of item II (4)	0.00	0.00	0.00	2670.31	0.00	1605.15	1.92	4277.38
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>68.84</b>	<b>2877.29</b>	<b>0.00</b>	<b>2590.53</b>	<b>31.54</b>	<b>5568.21</b>



<u>INCOME RECOGNITION</u>	Amount	<u>ASSETS CLASSIFICATION (Provisioning)</u>	Amount
- Overdue interest (Current Year Nil)	10526.97	- Provision required to be made in the Balance sheet	5568.21
- Provisions for interest already made in Balance Sheet	10526.97	- Bad & Doubtful Reserve (as per Balance Sheet)	12970.87
Deficit/Excess	0.00	Surplus	7402.67

Note : Standard Assets are amounting to Rs 546084.73 Lacs. Provision made @ 0.25%, 0.40% and 5%, which comes Rs 1663.44 lacs

This amount has been charged to Other Liabilities "Contingent Provisioning" against Standard Assets as per RBI Guidelines.

Detail of NPA is given below:-

Required Provision for Standard Assets 1663.44

Required Provision for NPA 5568.21

**TOTAL 7231.65**

Total Loans and Advances- Standard Assets=N.P.A. (Loans)	NPA (Other Assets)	Total NPA
551820.67-546084.73=5735.94	31.54	5767.48

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

Sd/-  
Administrator

As per our separate report of even date annexed

Place : Chandigarh  
Dated : 27.07.2021

for CHARANJIT SINGH & ASSOCIATES  
FRN 015328N  
Avneet Singh  
Partner  
M.NO 526217  
21526217AAAACU7470

**PROFORMA**  
**CLASSIFICATION OF ASSETS AND PROVISIONING MADE AGAINST**  
**NON PROFORMING ASSETS AS ON 31ST MARCH 2021**

(Rs. in Lacs.)

Sr. No.	Classification of Assets	No. of Ac- counts	Amount Outstanding	% of Col 4 to Total Loans Outstanding	Provision re- quired to be made		Existing Provision at the beginning	Provising made during the year under report	Total Provisio- ning as at the end of the year	Re- marks
					%	Amount				
1	2	3	4	5	6	7	8	9	10	11
	<b>Total Loans and Advances</b>		<b>551820.67</b>							
	Of which									
	Standard Assets		346443.59	62.78	0.25	866.11	5467.00	0.00	5467.00	
			199333.12	36.12	0.40	797.33				
			0.00	0.00	5.00	0.00				
	Non-Performing Assets									
	Sub-Standard		216.83	0.04	10	21.68	35.28	-13.60	21.68	
			0.00	0.00	100	0.00	0.00	0.00	0.00	
	Doubtful									
	Overdues > 3 yrs upto 4 yrs									
	Secured		5.16	0.00	20	1.03	0.00	1.03	1.03	
	Overdues > 4 yrs upto 6 yrs									
	Secured		0.00	0.00	30	0.00	0.00	0.00	0.00	
	Overdues > 6 yrs									
	Secured		833.17	0.15	100	833.17	914.01	-80.84	833.17	
	Unsecured		434.94	0.08	100	434.94	314.57	120.37	434.94	
	Total Doubtful Assets		1273.27	0.23		1269.14	1228.58	40.56	1269.14	
	(I+ii+iii) (a+b)									
	Loss Assets		4277.38	0.78	100	4277.38	4277.38	0.00	4277.38	
	<b>GROSS NPAs</b>		<b>5767.48</b>	<b>1.05</b>		<b>5568.21</b>	<b>5541.24</b>	<b>26.96</b>	<b>5568.21</b>	
	(B1+B2+B3)									

**NOTE:**

- No fresh Provision for Standard Assets has been made during the year 2020-21. Total provision of Standard Assets is Rs 5467.00 lacs as on 31.3.2021. which is excess by Rs 3803.56 lacs against the provision required to be made. Balance in Bad & Doubtful Reserve and Provison as on 31.3.2021 is Rs 12970.87 lacs, Provisioning required for NPA is Rs 5568.21 lacs, thus the Bad & Doubtful Reserve is excess by Rs 7402.67 lacs.

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

**POSITION OF NET ADVANCES/NET NPAs**

(Rs. in lacs)

Sr. No.	Particulars	31.3.2019	31.3.2020	31.3.2021
1	2	3	4	5
1	Gross Advances	523205.20	565987.41	551820.67
2	Gross NPAs	5881.71	5827.24	5735.94
3	Gross NPAs as a percentage to Gross Advances	1.12	1.03	1.04
4	Deductions :-			
	- Balance in Interest Suspense A/c OIR*	0.00	0.00	0.00
	- DICGC/ECGC Claims received & kept in Suspense A/c	0.00	0.00	0.00
	- Part payment on NPA A/c received & kept in Suspense A/c	0.00	0.00	0.00
	Total Deductions	0.00	0.00	0.00
5	Total NPA Provision held (BDDR Special BDDR after appropriation)	11833.05	12182.27	12970.87
6	Net Advances (1-2-4)	517323.49	560160.17	546084.73
7	Net NPAs (2-4-5)	0.00	0.00	0.00
8	Net NPAs as percentage of Net advances	0.00	0.00	0.00

Sd/-  
AGM

Sd/-  
DGM

Sd/-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

# THE PUNJAB STATE COOPERATIVE BANK LTD., CHANDIGARH

Inter Branch Adjustment Accounts - Provisioning for Net Debit Balance as on 31.3.2021

(Entries outstanding for more than 6 months)

Sr. No.	Particulars	Date of Entry	Debit (Amount)	Credit (Amount)	Provision @ 100% of Net Debit Balance
1	Nil	Nil	Nil		Nil
	Total		0.00	0.00	0.00

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director



# THE PUNJAB STATE COOPERATIVE BANK LTD., CHANDIGARH

Investment portfolio (As on 31.3.2021)

i) **Issuer composition of non-SLR Investments**

(Rs. in Crores)

Sr. No.	Issuer	Amount	Extent of Private placement	Extent of below Investment grade Securities already invested	Extent of unrated securities already invested	Extent of unlisted securities
1	2	3	4	5	6	7
1	FD with CDF soc	2.60	0.00	0.00	0.00	2.60
2	Others	0.12	0.00	0.00	0.00	0.10
3	Provision held towards depreciation	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>2.72</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.70</b>

ii) **Non Performing Non-SLR Investments**

Particulars	Amount
Opening Balance	0.00
Additions during the year since 1st April	0.00
Reductions during the above period	0.00
Closing Balance	0.00
Total Provisions held	0.00

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

# THE PUNJAB STATE COOPERATIVE BANK CHANDIGARH

## NOTES TO THE ACCOUNTS

### 1. Introduction and Management

The Punjab State Cooperative Bank Ltd. was registered on 31<sup>st</sup> August 1949 with its area of operations at Chandigarh and in the state of Punjab. The Bank has been granted a license no RPCD.PUN.50-S u/s 22 (1) read with Section 56(O) of Banking Regulation Act, 1949. At present, the Bank is running its business through 18 branches. All these branches have been audited for the year ended 31<sup>st</sup> March, 2021. The affairs of the Bank are governed by Board of Directors of the Bank.

### 2. Investments

Investments held by the Bank were as under:-

(Rs in lacs)

Sr. No.	Type of Investments	Outstanding as on 31.3.21	%age	Outstanding as on 31.3.20	%age	Growth %
1.	<b>A. <u>SLR Investments</u></b>					
	Central Govt. Securities	24940.97	8.80%	25454.76	9.38%	-2.02%
	Bonds & Debentures	0.00	0.00%	0.00	0.00%	0.00%
	Treasury Bill	0.00	0.00%	0.00	0.00%	0.00%
	State Govt. Securities	64839.09	22.89%	58394.19	21.51%	11.04%
	<b>Sub-total (A)</b>	<b>89780.06</b>	<b>31.69%</b>	<b>83848.95</b>	<b>30.89%</b>	<b>7.07%</b>
	<b>B. <u>Non SLR Investments</u></b>					
	Call Money	6850.00	2.42%	10000	3.68%	-31.50%
	Shares	12.40	0.00%	12.4	0.00%	0.00%
	Others	186630.00	65.88%	177598	65.42%	5.09%
	<b>Sub-total (B)</b>	<b>193492.40</b>	<b>68.31%</b>	<b>187610.4</b>	<b>69.11%</b>	<b>3.14%</b>
	<b>Total (A+B)</b>	<b>283272.46</b>	<b>100.00%</b>	<b>271459.35</b>	<b>100.00%</b>	<b>4.35%</b>

### 3. Disclosure on Non SLR Investment Portfolio

(Rs in Cr.)

Sr.No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment Grade Securities Already Invested	Extent on unrated securities already invested	Extent of unlisted
1	FD with CDF Soc.	2.60	0.00	0.00	0.00	2.60
2	Others	0.12	0.00	0.00	0.00	0.10
3	Provision held towards depreciation	0.00	0.00	0.00	0.0	0.00
	<b>Total</b>	<b>2.72</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.70</b>

Bank has investment of Rs 2.60 Cr in FD with CDF Soc and getting regular half yearly interest on same. Apart from this investment of Rs 12.40 Lacs has been invested in Shares of Other Cooperative Institutions and Shares of IFCI and Central Warehousing, bank has received of Rs 1,61,857.80 as dividend, during the year.

**1. Advances to directors, their relatives, companies/firms in which they are interested: -**

No advance was granted to any Director or to any relative of any director or to any firm or company in which director or his relative was interested.

**2. Cost of Deposit**

The Cost of Deposit of the Bank was 6.20%.

(Rs. in Lacs)

6	<b>NPAs</b> a. Gross NPAs b. Net NPAs c. Percentage of gross NPAs to total advances d. Percentage of net NPAs to net advances	 5735.94 0.00 1.04% 0.00%
7	<b>Movement of NPAs</b> Opening Balance as on 1 <sup>st</sup> April 2020 Addition during the year Reduction during the year Closing balance as on 31 <sup>st</sup> March 2021	 5827.24 142.13 233.43 5735.94
8	<b>Profitability</b> a. Interest income as a percentage of working funds b. Non Interest income as a percentage of working funds c. Operating profits as a percentage of working funds d. Return on Assets e. Business (deposits + advances) per employee (in lacs) f. Profit per employee (in lacs) <b>Provisions</b> a. Provisions on NPAs required to be made b. Provisions on NPAs actually made c. Provision required to be made in respect of overdue interest taken into income account, gratuity fund, provident fund, arrears in reconciliation of inter branch account etc. d. Provisions actually made in respect of overdue interest taken into income account, gratuity funds, provident funds, arrears in reconciliation of inter branch account etc. e. Provision required to be made on depreciation in investments f. Provision actually made on depreciation in investment	 5.11% 0.02% 0.42% 0.24% 3434.85 9.51  5568.21 12970.87  0.00  0.00 0.00 721.28

**10. Movement of Provisions**

No provision for Standard Assets has been made during the year. No provision for depreciation on Investments is required as all the investments are with State/Central Govt. or PSUs and entire portfolio is held till maturity. No additional provision is made for Bad & Doubtful Debts as existing provisions and statutory provisions, which were created by the Bank through Appropriation of Profit in earlier years are considered sufficient by the Bank. Provision for Bad & Doubtful Debts made during the year is as under: -

Rs 3,08,90,490.93 to the debit of P & L A/c being 8.50% of the Operating Profit.

**11. Payment of insurance premium to DICGC**

The Bank is regularly paying premium to DICGC. Premium for the half year ending 31.3.2021 amounted to Rs. 54,11,612.35 which was paid on 25.06.2021.

**12. Amount transferred to DEAF**

	Current Year	(Rs in Cr) Previous Year
Opening Balance of amounts transferred to DEAF	0.58	0.28
Amount Transferred to DEAF during the year	0.05	0.30
Amount reimbursed by DEAF towards claims	0.00	0.00
Closing Balance of amount transferred to DEAF	0.63	0.58

**13. Penalty imposed by RBI for any violation.**

No penalty has been imposed for any violation by RBI during the FY 2020-21.

**14. Gratuity & Leave Encashment**

The Bank has made a Gratuity Trust, which has further given gratuity to LIC and Income Tax exemption has been taken by Trust. The Gratuity has been invested as per valuation done by LIC. Leave salary is provided every month, the reserve of Leave Encashment, so built, is invested by the Bank in its banking business. The shortfall, if any, will be made good by the Bank. However, the actuarial valuation for Leave Encashment has also been got done from LIC.

**15. Segment Reporting (AS 17)**

The Bank has all its operation in Chandigarh and Punjab state, which constitute same segment. Therefore, segment reporting in terms of AS 17 is not required.



**16. Related Party Disclosures (AS 18)**

No disclosure is required in respect of transaction with related parties which are "State controlled Enterprises" as per paragraph-9 of Accounting Standard (AS) 18. Further in terms of paragraph-5 of AS-18, transactions in nature of banker customer relationship are not required in respect of Key Management Personnel.

**17. Provision, Contingent Liabilities & Contingent Assets**

In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the provision is recognized only when it has a present obligation as a result of past event, it is probable that as outflow or resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

Contingent Assets are not recognized in the financial statements as this may result in the recognition of income that may never be realized.

There are certain Legal cases pending against the bank which relates to Income Tax, TDS, Other legal cases etc. However as per the management view no such amount has been considered as contingent liabilities except Rs 1,22,17,081 Outstanding on account of TDS demand.

**18. Information on extent of arrears in reconciliation of interbank and inter branch accounts**

There is no Inter Branch entry pending, as on 31.3.2021.

**19. Capital Adequacy Ratio**

Bank has maintained CRAR at the level of 13.54% as on 31.3.2021.

**20. The bank has asked the DCCBs to confirm the outstanding of advances as on 31.3.2021 which in the books of the bank stands at Rs. 4508.77 crores, and confirmation received from DCCBs.**

**21. The Bank has provided for Income-Tax on the basis on taxable profit. Since the depreciation is being provided as per Income Tax Rules, deferred tax liability is not provided as the same is not considered material.**

**22. The Bank is holding the entire portfolio of investments under 'Held Till Maturity' Category. Therefore the investments are valued at cost less amount of premium amortized during the year and the market value is not ascertained and compared with cost. Investments have been purchased directly on RBI auction.**



23. Balances lying in current account with 3 State Cooperative Banks are subject to confirmation.
24. In respect of Allocation of 2% contribution towards Cooperative Bank Employees Pension Fund Trust for the years 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17, amounting to Rs 202.75 lacs, the said amount has not been transferred to the Trust, as the matter is sub-judice. The amount is being shown under other liabilities.
25. Other expenditure (Rs 448.30 lacs) reported in Profit & Loss Account includes an amount of Rs 1,51,644 on account of Income Tax expense pertaining to income tax in respect previous year. Rs 9,01,022 in the Income relates to Excess Provision of Income Tax reversal.
26. Fixed assets include Rs 9.59 lacs being the cost of Land and Buildings, located at Jalandhar and Mohali for which separate cost of land and building is not available. In the absence, of the same, the depreciation is being charged on total value.
27. Previous Year figures have been regrouped/ rearranged, where ever considered necessary.
28. Interest Receivable includes Rs. 105.27 Crores on account of Interest on NPA advances of earlier years. The same amount was considered as Bad & Doubtful. The similar amount was o/s on Liability side as "Overdue Interest reserves".
29. Refer to RBI circular No DOR.No.BP.BC.47/21.04.048/2019-20 dated 27.3.20, on regulatory package, due to COVID-19, moratorium have been provided to 18 accounts of Standard Loans, during 2020-21

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

Place: Chandigarh

Dated: 27.7.2021

# THE PUNJAB STATE COOPERATIVE BANK CHANDIGARH

## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION

- (i) The financial statements have been prepared on the historical cost basis and conform, in all material aspects, generally accepted accounting principles in India, which encompass applicable statutory provisions, RBI to the extent applicable, regulatory norms prescribed by NABARD, Accounting Standards issued by the Institute of Chartered Accountants of India.
- (ii) The preparation of Financial Statements requires the management to make estimates and assumptions considered in the reported accounts of assets and liabilities (including contingent liabilities) as of the financial statements and the reported income and expenses during the reporting period.

### 2. METHOD OF ACCOUNTING

The accounts have been prepared "On going concern" basis with accrual concept and in accordance with the accounting policies and practices consistently followed unless otherwise stated.

### 3. REVENUE RECOGNITION

- (i) Income and expenditure are accounted for on accrual basis except otherwise stated elsewhere.
- (ii) Interest subvention from NABARD is recognized in the Profit & Loss Account on cash basis i.e. as and when the subvention is received.
- (iii) Interest income is recognized in the Profit and Loss Account as it accrues except, income from non-performing assets (NPA's) which is recognized upon realization as per the prudential norms prescribed.
- (iv) Recovery in Non-performing advances is appropriated first towards overdue interest and thereafter towards overdue principal amount.
- (v) Commission on Banks Guarantee, Locker Rent, Rent on Bank premises, Penal Interest are accounted for on realization.
- (vi) Interest on income-tax refund is accounted on receipt of refund from Department.

### 4. ADVANCES

The classification of advances into Standards, Sub standards, Doubtful and Loss Assets as well as provisioning on Standard Advances and Non Performing Advances is arrived at in accordance with the Income Recognition, Assets Classification and Provisioning Norms prescribed by the RBI from time to time. Amount recovered against debts written off in earlier years are recognized as revenue.

### 5. INVESTMENTS

- (i) Investments are purchased from Primary Market and the entire portfolio of investments is held till maturity. No market value is determined at the year end and the investments are shown in the balance sheet at cost. The premium paid on the purchase of investment has been amortised over the period of investment.

(ii) Investments are accounted for in accordance with regulatory guidelines. The Bank follows trade date method for accounting of its investments.

(iii) Valuation - The book value/face value has been considered for arriving at the value of investments. The investments in securities are of Central/State institutions and thus market value has been considered not less than the book value.

#### 6. FIXED ASSETS & DEPRECIATION

(i) Fixed assets are carried at written down value. Depreciation is charged as per the rates specified as per Income Tax Act, 1961.

(ii) Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the assets, if any, before it is put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit from such assets or their functioning capability.

#### 7. TAXES ON INCOME

Income tax is determined on the basis of taxable income for the year and accordingly provision is made. Deferred tax charge or credit as required under AS 22 is not determined or recognized.

#### 8. OPERATING LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as Operating Leases. Operating Lease payments are recognized as an expense in the Profit and Loss Account during the year as lease agreement.

#### 9. EMPLOYMENT BENEFITS

The Bank contributes 12% of salary (Basic Pay, Dearness Pay & Interim Relief & DA) to employees toward Provident Fund Contribution. The Provident Fund Contribution together with employee share is deposited with Provident Fund Trust of the Bank, which is charged to Profit & Loss Account of the Bank. Part of the amount is deposited by the Trust towards pension contribution to Regional Provident Fund Commissioner. Contribution of 11% of salary is also made towards Leave Salary. This amount is also charged to the Profit & Loss account. Contribution towards Gratuity is also made for payment of gratuity to employees based on length of service of employees.

#### 10. OTHERS

Allocation of profit is made as per directions of the Registrar of Co-operative Societies, Punjab.

Sd/-  
AGM

Sd/-  
DGM

Sd-  
GM

Sd/-  
AMD (B)

Sd/-  
Managing Director

Place: Chandigarh

Dated: 27.7.2021