



NAINITAL BANK
THE NAINITAL BANK LTD.

THE NAINITAL BANK LTD
Head Office: Naini Bank House
Seven Oaks, Mallital
Nainital 203001 (Uttarakhand)

BALANCE SHEET AS ON 31ST MARCH 2020

(In thousands)

CAPITAL AND LIABILITIES	SCHEDULE	As on 31.03.2020	As on 31.03.2019
Capital	1	775000	775000
Reserves & Surplus	2	5047990	5662780
Deposits	3	76794296	72661906
Borrowings	4	80	0
Other Liabilities & Provisions	5	1786567	1717909
ASSETS	Total	84403903	81017696
Cash & Balances With Reserve Bank of India	6	3294389	4131334
Balances with Banks & Money at call and Short Notice	7	22861680	24126466
Investments	8	16762168	15336285
Advances	9	38289883	35157469
Fixed Assets	10	412825	327123
Other Assets	11	2783058	1939919
	Total	84403903	81017696
Contingent Liabilities	12	1148539	1103883
Bills for collection		2509	1717
Significant Accounting Policies	17		
Notes on Accounts	18		
Schedules referred above form an integral part of Balance Sheet			

Dinesh Pant
Chairman &
Chief Executive Officer

Mradul Kumar Agarwal
Director

R.K. Miglani
Director

Bijita Shah
Director

Sanjay Mudaliar
Director

O.P. Jagarwal
Chief Operating Officer
& Chief Financial Officer

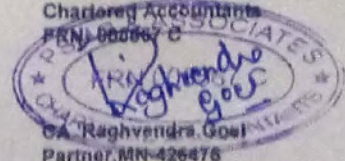
S.C. Shukla
Associate Vice President
Accounts & Operations

Vivek Sah
Company Secretary

Place : Nainital
Date: 08.06.2020



as per our report of even date
For PSMG & Associates
Chartered Accountants
FERN 000672

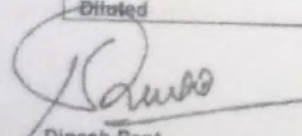


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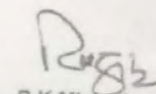
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

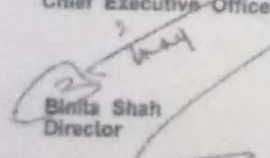
(In thousands)

I. INCOME	SCHEDULE	Year ended 31.03.2020	Year ended 31.03.2019
Interest Earned	13	6870203	6532058
Other income	14	406734	290949
II. EXPENDITURE	Total	7276937	6823007
Interest Expended	15	4530300	4258822
Operating Expenses	16	1624323	1471098
Provisions & Contingencies		1802977	824200
III. PROFIT/LOSS	Total	7957600	6554120
Net profit/loss for the year		-680663	268887
Profit /Loss available for appropriation		-680663	268887
IV. APPROPRIATIONS			
Transfer To :			
Statutory Reserve			67222
Revenue & Other Reserves:			
i) Investment Fluctuation Reserve			1000
ii) General reserve			135621
ii special reserve			18329
Proposed Dividend			38750
Dividend Tax (including surcharge & edu. cess)			7965
Balance Carried over to Balance Sheet		-680663	
Earnings per share (Rs)	Total	-8.78	268887
Basic		-8.78	3.47
Diluted		-8.78	3.47

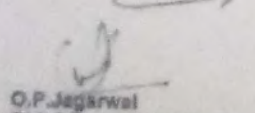

Dinesh Pant
Chairman &
Chief Executive Officer

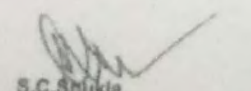
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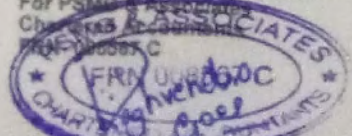

O.P. Jagarwal
Chief Operating Officer
& Chief Financial Officer


S.C. Shukla
Associate Vice President
Accounts & Operations


Vivek Sah
Company Secretary

Place : Nainital
Date: 08.06.2020



as per our report of even date
For PSMA & Associates
Chartered Accountants

CA Rajendra Goel
Partner, MN-428476

UDIN: 20426476AAACJ4363



SCHEDULE 1-CAPITAL

(in thousands)

	As on 31/03/2020	As on 31/03/2019
Authorised Capital (15,00,00,000 Equity Shares of Rs. 10/- each)	1500000	1500000
(Previous Year 15,00,00,000 Equity Shares of Rs. 10/- each)		
Issued, Subscribed, Called up and Paid up capital 775,00,000 Equity Shares of Rs. 10/- each	775000	775000
Total	775000	775000

SCHEDULE 2- RESERVES & SURPLUS

	As on 31/03/2020	As on 31/03/2019
I Statutory Reserve :		
Opening Balance	1668731	1601509
Addition during the year	0	67222
Closing Balance	1668731	1668731
II Capital Reserve :		
a) Revaluation Reserve		
Opening Balance	165804	165805
Addition during the year -	97127	0
Depreciation on account of revaluation of premises transferred to Profit & Loss Account	0	0
Closing Balance	262931	165805
b) Others	0	548
Addition during the year -	0	0
Closing Balance	0	548
Total(II)	262931	166353
III Share Premium :		
Opening Balance	775000	775000
Addition during the Year		
Deduction during the Year		
Closing Balance	775000	775000
IV Revenue & Other Reserves		
(i) Investment Fluctuation Reserve :		
Opening Balance	19117	18117
Addition during the Year	0	1000
Less: Transferred To General Provision	0	0
Closing Balance	19117	19117
(ii) Other Reserve :		
Opening Balance	2756916	2652000
Addition : Transferred from Profit & Loss Account	0	135621
Deduction:	0	0
Closing Balance	2756916	2787621
Investment Reserve A/C	0	0
Addition during the Year	0	0
Closing Balance	0	0
Special reserve u/s 36 (I) (VIII)	245958	227629
Addition during the Year	0	18329
Closing Balance	245958	245958
Total(IV)	3021991	3052696
V Transfer from Profit & Loss Account	-680663	0
Total (I to V)	5047990	5662780





SCHEDULE 3 -DEPOSITS

(in thousands)

	As on 31/03/2020	As on 31/03/2019
A I) Demand Deposits		
i)From Banks	30662	24214
ii)From Others	3639805	3425586
Total	3670467	3449800
II) Savings Bank Deposits	21541659	21147955
III) Term Deposits		
i)From Banks	10539371	8251301
ii)From Others	41042799	40012850
Total	51582170	48264151
Total (I, II & III)	76794296	72861906
B I)Deposits of Branches in India	76794296	72861906
II)Deposits of Branches outside India	0	0
Total (I & II)	76794296	72861906

SCHEDULE 4 -BORROWINGS

	As on 31/03/2020	As on 31/03/2019
I Borrowings in India		
i)Reserve Bank Of India	0	0
ii)Other Banks	60	0
iii)Other Institutions and Agencies	0	0
II Borrowings outside India	0	0
Total (I & II)	60	0
III Secured Borrowings Included in I above	60	0

SCHEDULE 5 -OTHER LIABILITIES AND PROVISIONS

	As on 31/03/2020	As on 31/03/2019
I Bills Payable	233678	151934
II Inter Office Adjustments(Net)	17628	0
III Interest Accrued	82207	87005
IV Tax Paid in advance/tax deducted at source (net of provisions)	0	0
V Others(Including Provisions)	1453044	1478970
Total(I to V)	1786557	1717909
NOTE:Subordinated Debts raised in Tier II Capital	Nil	Nil





SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(in thousands)

	As on 31/03/2020	As on 31/03/2019
I Cash in hand(Including foreign currency notes)	297760	250768
II Balances with Reserve Bank of India		
i)In Current Accounts	2996629	3880566
ii)In Other Accounts	0	0
Total	2996629	3880566
Total (I & II)	3294389	4131334

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

	As on 31/03/2020	As on 31/03/2019
I In India		
i) Balances with Banks		
In Current Accouts	65422	176265
In Other Deposit Accounts	22096158	21720200
Total	22161580	21896465
ii)Money at call and short notice		
With banks	500000	1500000
With other institutions	200000	730000
Total	700000	2230000
Total (i & ii)	22861580	24126465
II Outside India	NIL	NIL
Total (I & II)	22861580	24126465

SCHEDULE 8- INVESTMENT

	As on 31/03/2020	As on 31/03/2019
I Investments in India(Gross)	16762168	15445057
Less : Provision for Depreciation	0	109772
Net Investments in India	16762168	15335285
Break up		
i)Government Securities	14210834	12438920
ii)Other Approved Securities	0	0
iii)Shares	0	0
iv)Debentures and Bonds	2551334	2896365
v)Subsidiaries and/or Joint Ventures	0	0
vi)Others(units of UTI and other mutual funds comm.papers)	0	0
Total	16762168	15335285
II Investments outside India	Nil	Nil
Total (I & II)	16762168	15335285





SCHEDULE 9- ADVANCES

(in thousands)

	As on 31/03/2020	As on 31/03/2019
A i) Bills Purchased and Discounted	28303	19880
ii) Cash Credit ,Overdrafts and Loans repayable on demand	23721469	21978310
iii) Term Loans	14540111	13159279
Total	38289883	35157469
B i) Secured by Tangible Assets	37229243	34344541
ii) Covered by Bank/Govt. Guarantees	10	10
iii) Unsecured	1060630	812918
Total	38289883	35157469
C I) Advances in India		
i) Priority Sector	20196754	17766294
ii) Public Sector	496264	662289
iii) Banks	300097	249463
iv) Others	17296768	16479423
II) Advances outside India	0	0
Total	38289883	35157469

SCHEDULE 10- FIXED ASSETS

	As on 31/03/2020	As on 31/03/2019
I Premises		
At cost/revalued amount as on 31st March of the preceeding year	249770	249593
Addition during the year	97127	177
Depreciation to date(including incremental depreciation due to revaluations)	25190	24770
Closing Block I	321707	225000
II Other Fixed Assets(including Furniture & Fixtures)		
At cost as on 31st March of the preceeding year	517315	491983
Addition during the year	20968	25788
Deductions during the year	400	456
Depreciation to date	446764	415192
Closing Block II	91118	102123
Total (I & II)	412825	327123

SCHEDULE 11- OTHER ASSETS

	As on 31/03/2020	As on 31/03/2019
I Inter Office Adjustment (Net)	0	100197
II Interest Accrued	1329247	1038389
III Tax Paid in advance/tax deducted at source (net of provisions)	170629	108590
IV Stationery & Stamps	35	37
V Others	1283147	692706
Total (I toV)	2783058	1939919





SCHEDULE 12- CONTINGENT LIABILITIES

(in thousands)

	As on 31/03/2020	As on 31/03/2019
I Claims against the Bank not acknowledged as Debts	4754	4754
II Liability against frauds	0	0
III Guarantees given on behalf of constituents	854115	812779
IV Acceptances, Endorsements and Other Obligations	99140	130291
V Other	190530	156059
Total (I to IV)	1148539	1103883

SCHEDULE 13- INTEREST EARNED

		As on 31/03/2020	As on 31/03/2019
I Interest/Discount on Advances/Bills		3341484	3253506
II Income on Investments	1184638	1180793	1274793
Less: amount amortised during the year	3845		
III Interest on Balances with Reserve Bank Of India and other Inter Bank Placements		2104967	1885804
IV Others		242959	117955
Total (I to IV)		6870203	6532058

SCHEDULE 14- OTHER INCOME

	As on 31/03/2020	As on 31/03/2019
I Commission, Exchange & Brokerage	30695	33963
II Profit / Loss on sale of investments	142329	32625
III Interest on Income Tax Refund	516	518
IV Miscellaneous Income	217540	212448
V Third party commission	15654	11335
Total (I to IV)	406734	290949

SCHEDULE 15- INTEREST EXPENDED

	As on 31/03/2020	As on 31/03/2019
I Interest on Deposits	4520284	4258818
II Interest on RBI / Inter Bank Borrowings	10016	4
III Others	0	0
Total (I to III)	4530300	4258822





SCHEDULE 16- OPERATING EXPENSES

(in thousands)

	As on 31.03.2020	As on 31.03.2019
I Payments to and Provisions for Employees	1049289	901064
II Rent, Taxes and Lighting	140828	132874
III Printing and Stationery	6855	6019
IV Advertisement and Publicity	5598	6965
V Depreciation on Bank's Property Less: Depreciation adjusted from Capital reserve on account of revaluation of premises	31993	36481
VI Director's Fees Allowances and Expenses	757	526
VII Auditor's Fees & Expenses (including Branch Auditor's fee & expenses)	3701	5649
VIII Law Charges	12446	13681
IX Postage, Telegrams, Telephones etc	8025	7635
X Repairs and Maintenance	12716	15749
XI Insurance	66791	65796
XII Other Expenditure	285324	278659
Total (I to XII)	1624323	1471098



THE NAINITAL BANK LIMITED
(Regd. Office: G.B. Pant Road, Nainital)

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES AS ON 31st MARCH, 2020

1. ACCOUNTING CONVENTION:

The financial statements have been prepared on the historical cost basis unless otherwise stated and conform to the statutory provisions and practices prevailing in the Banking Sector of the country.

2. INVESTMENTS :

In accordance with Reserve Bank of India guidelines, Investments portfolio of the bank is classified into the under mentioned categories and the valuation norms, as prescribed by RBI have been applied to each category:

2.1.1 Held to Maturity

2.1.2 Available for Sale, and

2.1.3 Held for Trading

2.2. Investment under "Held to Maturity" are valued at cost of acquisition unless it is more than the face value in which case premium is amortized over the remaining maturity period of the security.

2.3. Investment held under "Available for Sale" & "Held for Trading" category are marked to market and valued at cost or market value whichever is lower. Individual scrips are valued and depreciation / appreciation is aggregated category wise as per the classification in Balance Sheet. Net depreciation is provided for and net appreciation, if any, is ignored.

2.4. The net provisions arising on account of depreciation in "Available for Sale" & "Held for Trading" is charged to Profit & Loss Account and an equivalent amount or the balance available in the "Investment Reserve Account", whichever is less, is transferred from the "Investment Reserve Account" to the "Profit & Loss Appropriation Account".

In case of excess net provision in "Available for Sale" & "Held for Trading", the same is credited to Profit & Loss Account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserve as applicable to such excess provisions) is appropriated to the Investment Reserve Account.

2.5 Profit/ Loss on sale of investments are recognized in the Profit and Loss Account based on the weighted average cost of the related investments/ book value thereof.

2.6 In respect of non-performing securities (where interest / principal is in arrear) income is not recognized, and appropriate provision is made for depreciation in value of securities.

2.7 Cost of acquisition of investments excludes commission, brokerage, stamp duty, incentive etc.

2.8 For the purpose of valuation of Investments in "Available for Sale" & "Held for Trading" category, the rates declared by Primary Dealers Association of India (PDAI)



/ Fixed Income Money Market and Derivatives Association (FIMMDA) and quotes of Stock Exchange has been considered.

Investments for which such rates/quotes are not available are valued as per norms laid down by Reserve Bank of India, which are as under:

- 2.8.1 Equity Shares are valued as per latest Balance Sheet of the company (not more than 12 months), if available, otherwise are valued at Re. 1/- per company.
- 2.8.2 Investments in Mutual Funds Units are valued as per Stock Exchange quotation, Investment in non-quoted Mutual Fund Units are valued on the basis of the latest repurchase price declared by the Mutual Fund in respect of each particular Scheme. In case of funds with a lock-in period, where repurchase price/ market quote is not available, Units are valued at NAV. If NAV is not available, then the same are valued at cost, till the end of the lock-in period. Whenever the re-purchase price is not available, the Units are valued at the NAV of the respective scheme.
- 2.8.3 Zero coupon bonds are valued at carrying cost i.e. acquisition cost plus discount accrued at the rate prevailing at the time of acquisition. These bonds are marked to market with reference to market value.

3. ADVANCES AND PROVISIONS THEREON:

Advances are shown net of Interest Suspense, amount received and held in Suit filed Sundry Deposits, Margin held in form of FDR (in case of doubtful/loss accounts), Provisions have been made for Non Performing Advances in accordance with the prudential norms prescribed by Reserve Bank of India from time to time and Subsidy Reserve Fund (on Non-performing advances).

4. FIXED ASSETS:

Fixed Assets are stated at their historical cost except certain Premises, which were revalued in the FY 2019-20 and are stated at revalued amounts in accordance with the valuation report of the approved valuers. The surplus on account of revaluation stands credited to Revaluation Reserve under the head "Capital Reserve".

5. STAFF BENEFITS:

Contribution to recognized Gratuity Fund, Pension Fund and Provision for encashment of accumulated earned leaves are accounted for on actuarial basis.

6. REVENUE RECOGNITION:

- 6.1 Income is recognized on accrual basis. In view of uncertainty of realization in case of Non-Performing Advances and Investments, such income is accounted for only on realization.
- 6.2 Income from Commission (including bank guarantee), Exchange & Brokerage, Fees, Locker Rent and Interest on Overdue Bills is taken on receipt basis.

7. DEPRECIATION:

- 7.1 The depreciation has been charged on the basis of useful life of asset as prescribed in 'Schedule II' of the Companies Act, 2013 (as per WDV Method) after taking residual value @ 5% of the cost of the respective assets.



In accordance with the revision in the AS-10 ,Depreciation on revalued portion of Property, Plant and Equipment, has been provided by charging to Statement of Profit & Loss Account instead of adjusting from Revaluation Reserve.

For the quarter ended March 2020, applicable provisioning has been done in banks' Profit Loss account.

- 7.2 Depreciation is charged, for full year in the year of purchase and no depreciation is provided/ charged in the year of sale/disposal/deletion.
- 7.3 Depreciation on Computers and Computer Software's are provided on Straight Line Method at the rate of 33.33% in line with guidelines of Reserve Bank of India.
- 7.4 Bank capitalizes the GST amount paid on all fixed assets purchased and therefore no input credit has been taken in respect of the fixed assets purchased during the year.

8. TAXES ON INCOME:

In compliance with Accounting Standard-22 on Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India, accounting for Income tax is made after considering the effect of Deferred Tax assets/ liabilities. While calculating the deferred tax assets/ liabilities, tax rates and laws that have been enacted or substantively enacted as of Balance Sheet date are applied and there is certainty of future income.

9. CORPORATE SOCIAL RESPONSIBILITIES (CSR):

According to Section 135 of the Companies Act, 2013, bank is required to have CSR Committee. Bank has complied with the provisions of the Act regarding formation of CSR committee.



THE NAINITAL BANK LIMITED
Regd. Office: G.B. Pant Road, Nainital
SCHEDULE 18: NOTES ON ACCOUNT 2019-20

1. The accounts have been drawn up in accordance with the provisions of Section 29 of Banking Regulation Act, 1949 read with the provisions of Section 128 of the Companies Act, 2013.
2. All figures in Balance Sheet are provided in Indian Rupees in terms of thousands except EPS, which is shown in Rupees.
3. **BALANCING OF BOOKS AND RECONCILIATION:**
 - 3.1 Reconciliation of some debit / credit entries outstanding in various heads of accounts included in Inter Branch Adjustments/ Clearing adjustments etc. are in progress.
 - 3.2 Pending completion of aforesaid reconciliation/matching, the impact of consequential adjustments on the accounts is not ascertainable.
4. **ADVANCES:**
 - 4.1 Provision made for Standard Advances and Provision made in excess of RBI prudential norms after meeting the write off of loss assets are included under the head "Other Liabilities and Provisions". However the accumulated balance of Rs. 312.54 Lac up to the close of the year 1997-98 created under Section 36(1) (vii a) of the Income Tax Act, 1961, which was continued to be shown under the head "Reserve & Surplus" has now been transferred to Floating Provisions.
 - 4.2 In accordance with guidelines issued by Reserve Bank of India, advances against book debts have been included under the head "Secured by Tangible Assets" which is not in line with guidance note issued by The Institute of Chartered Accountants of India.
 - 4.3 In addition to the provision on standard assets as on 31.03.2020 i.e. Rs 20.49 crores ,an additional provisioning has been done for MSME accounts as per RBI circular No RBI/2017-18-129 DBR.No.BP.BC100/21.04.048/2017-18 dated 07.02.2018 @5%,interest on which has already been realized. For the period under review, there are no accounts under purview of the aforementioned guidelines.
 - 4.4 At present there are two accounts that are filed at NCLT :
 1. BENLON INDIA LIMITED

Date of filing the case to NCLT: 24/10/2018
 Date when NCLT admitted the case: 18/12/2018
 PAN No: AAACB3239P
 Provisions held as on 31.03.2020: Rs.37.35 crores



2. ASIAN COLOR COATED ISPAT LIMITED

Date of filing the case to NCLT: 29/12/2017.

Date when NCLT admitted the case: 20/07/2018.

PAN No: AAFC1873K

Provisions held as on 31.03.2020: Rs. 15.11 crore

4.5. As per circular of RBI DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, the Bank has extended the benefit of Assets classification in advances accounts having outstanding of Rs.4194.02 lakh in 513 accounts and held additional provision of Rs.209.70 lakh as on March 31st, 2020.

4.6. As per RBI circular -RBI /2019-20 186 DOR No BP.BC.21.4.048 dated 27.03.2020 ,regarding Regulatory Package announced with respect to COVID-19 Pandemic situation , our bank vide circular No 97/HO/Advances /63/258 dated 30.03.2020, has extended the benefits of deferred moratorium facility to all its eligible borrowers falling under SMA0,SMA1 & SMA2 category as on 29.02.2020.

The Bank has further, extended the deferment relief as per RBI circular RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23rd,2020 in all eligible loan accounts /recovery of interest in CC/OD accounts upto 31.08.2020.

5. PROVISION FOR TAXATION:

In respect of pending cases of assessment /appeal under The Income Tax Act, the provisions already made are, in view of judicial pronouncement and/ or counsel's opinion, considered to be adequate.

In view of Taxation (Amendment) Ordinance 2019 on the 20th of September 2019, a new section 115BAA has been introduced which has reduced the tax rate to 22% (plus applicable surcharge and education cess) from 30%(plus applicable surcharge and education cess), subject to fulfillment of certain conditions. Effectively the new tax rate comes to 25.168% and its impact has been taken in the balance Sheet for the FY 2019-20.

6. INVESTMENTS:

During the FY 2019-20 ,Investments in certain SLR securities of book value amounting to Rs 65.26 crores (previous year Rs NIL) has been transferred from " Available for sale" to "Held to Maturity" category. The book value of Investments is decreased by Rs. 4.07 crores due to aforesaid transfer of Investment.

7. In terms of guidelines issued by the RBI the following disclosures are furnished:**7.1 Investments:****(Rs.in Crores)**

	Items	Current Year (RS)	Previous Year (CRS)
		2019-20	2018-19
	Value of investments		
i)	Gross value of investments		
(a)	In India	1676.22	1544.51
(b)	Outside India	0.00	0.00
(ii)	Provision for depreciation		
(a)	In India	0.00	5.61
(b)	Outside India	0.00	0.00
(iii)	Net value of investments		
(a)	In India	1676.22	1533.53



THE NAINITAL BANK LTD. (Regd. Office : G.B. Pant Road, Nainital) Head Office : Naini Bank House, Seven Oaks, Nainital - 263001 U.K.

दि नैनीताल बैंक लिमिटेड (पंजी. कार्यालय : जी.बी. पन्त रोड, नैनीताल) प्रधान कार्यालय : नैनी बैंक हाउस, सेवन ओक्स, नैनीताल-२६३००१ उत्तराखण्ड

Office : (05942) 236138, 236139, 236237 Fax (05942) 236120, Visit us at : www.nainitalbank.co.in

CIN No. U 65923 UR 1922 PLC 000234

**NAINITAL BANK**
THE NAINITAL BANK LTD

(b)	Outside India	0.00	0.00
(ii)	Movement of provisions held towards depreciation on investments		
(i)	Opening Balance	10.98	5.37
(ii)	Add: Provisions made during the year	0.00	5.61
(iii)	Less: Write off/Write back of excess provisions during the year	10.98	0.00
(iv)	Closing Balance	0.00	10.98

RBI circular no. RBI/2017-18/147 dbr.no.bp.bc102/21.04.048/2017/-18 & RBI/2017-18/200DBR.No.BP.BC.113/21.04.048/2017-18 grants an option to the Banks to spread provisioning for mark to market losses on investments for the quarter ended December 31, 2017, March 31, 2018 & June 30, 2018 equally over the four quarters commencing with quarter in which the loss is incurred.

The total provision for Mark to Market loss as on 31.03.2019 was Rs 109771823.88 out of which depreciation of Rs 40743750.00 was reversed after shifting of securities from "Available to sale" category to "Held to maturity" category on 01.06.2019. As per valuation of Trading portfolio as on 31.03.2020 the total MTM losses for the FY 2019-20 is Rs 0.00, thus Rs 69028073.88 has been written back.

7.2 Repo Transactions : NIL

7.3 Non-SLR Investment Portfolio:

1. Issuer composition of Non SLR investments-

(Rs. in Crores)

S. No.	Issuer	Amount	Private Placement	'Below investment Grade' securities	Unrated	Unlisted
(i)	PSU	25.01	25.01	0.00	0.00	0.00
(ii)	Financial Institutions	5.90	5.90	0.00	0.00	0.00
(iii)	Banks	25.00	25.00	0.00	0.00	0.00
(iv)	Private Corporate	10.47	0.00	0.00	0.00	0.00
(v)	Subsidiaries/Joint Ventures	0.0	0.00	0.00	0.00	0.00
(vi)	Others	188.75	146.59	0.00	0.00	0.00
(vii)	Provisions held for depreciation	0.00	0.00	0.00	0.00	0.00
	Total	255.13	202.50	0.00	0.00	0.00

Note: Figures in bracket indicates previous year's figures.

2. Non performing Non-SLR investments :

(Rs.in Crores)

Particulars	Current Year	Previous Year
Opening Balance	0.00	0.00
Addition during the year(since 1 st April 2019 to 31 st March 2020)	0.00	0.00
Reductions during the above period	0.00	0.00
Closing balance	0.00	0.00
Total provisions held	0.00	0.00



9.6 Floating Provisions for Financial year 2019-20

(Rs. in crores)

Item	Current Year	Previous Year
(a) Opening balance in the floating provisions account	59.72	52.92
(b) The quantum of floating provision made in the accounting year	3.13	6.80
(c) Amount of draw down made during the accounting year ^a	-	-
(d) Closing balance in the floating provision account	62.85	59.72

9.7 Provisioning Coverage Ratio -

	Current Year	Last Year
Total Provision/Total NPA	337.54/536.03	174.70/388.22
	62.97%	45.00%

The bank was able to achieve a Provisioning Coverage Ratio of 62.97 % with reference to the gross NPAs as at 31st March, 2020. Hence the net NPAs stands at Rs. 184.14 Crore .Total provision include floating provision amounting to Rs. 337.54 Crore.

9.8 Divergence in Asset Classification and Provisioning for NPAs - (ref DBR. BP.

BC.No.63/21.04.018/2016-17 dated April 18, 2017 and updated circular dated April 1st,2019

As per RBI circular DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1 2019, in case for the additional provisioning for NPAs, assessed by RBI exceeds 10% of reported profit before provisions and contingencies and/or additional Gross NPAs identified by RBI exceeds 15% of published incremental Gross NPAs for the reference period then the banks are required to disclose divergences from prudential norms on income recognition, asset classification and provisioning. Accordingly , such accounts have been classified as NPA and disclosure is made in respect of divergence reported for the financial year 2018-19 is as under:

Particulars	Number of Accounts	Outstanding Amount	(Rs in Crores)
			Shortfall/additional provision required
Reclassification and short provision of NPAs	13	61.94	10.30

Sr	Particulars	(Rs in Crores)
		Amount
1.	Gross NPAs as on March 31, 2019 as reported by the bank	388.22
2.	Gross NPAs as on March 31, 2019 as assessed by RBI	450.16
3.	Divergence in Gross NPAs (2-1)	61.94
4.	Net NPAs as on March 31, 2019 as reported by the bank	199.52



Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	(5.44)	133.92 (5.44)
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential,	0.00	0.00
b. Commercial Real Estate.		
b) Indirect Exposure	0.00	0.00
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00
Total Exposure to Real Estate Sector	737.09	482.35

*include staff housing loans.

**Exposure to Commercial Real Estate includes

-Funded Exposure Rs. 187.65 Cr

-Non Funded Exposure Rs. 5.44 Cr

11.2 Exposure to Capital Market

(Rs. in crores)

Particulars	Current year	Previous Year
i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.00	0.00
(ii) advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;		
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		
(vi) loans sanctioned to corporate against the security of shares / bonds/debentures or other securities or on clean basis for meeting		



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promoter's contribution to the equity of new companies in anticipation of raising resources; (vii) bridge loans to companies against expected equity flows/issues; (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; (ix) financing to stockbrokers for margin trading; (x) all exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market	0.00	0.00

11.3 Risk Category wise Country Exposure: NIL

12. Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the bank.

The Bank has not exceeded the prudential limits in respect of any individual, group account.

13. Unsecured Advances

For determining the amount of unsecured advances reflected in Schedule 9, the rights, licenses, authorizations, etc., charged to the bank as collateral in respect of projects (including infrastructure projects) financed by bank, have not been reckoned as tangible security. Hence such advances have been reckoned as unsecured. Moreover, there is no amount of advance for which intangible securities such as charge over the rights, licenses, authority, etc has been considered.

*Advances are classified as Standard, Sub-Standard, Doubtful and Loss Assets as per prudential norms of the Reserve Bank of India and Provision is made as per guidelines issued by RBI. The rates of provisions for standard advances has been approved by Board of Directors in its meeting dated Nov 17, 2018, as per RBI notification bearing No. RBI/2016-17/282 DBR No. BP.PC/21.04.048/2016-17 dated April 1st, 2017.

Additional provisioning @5% of the outstanding balance is required in case of account with outstanding balance of Rs 10.00 cr. and above if they continue in SMA2 category for 2 quarters which was replaced as "Additional provisioning @5% of the outstanding balance in case of account with outstanding balance of Rs 10.00 cr. and above if they continue in SMA2 category for 6 months.

14. Miscellaneous

14.1 Amount of Provisions made for Income-tax during the year: (Rs. in crores)

	Current Year	Previous Year
Provision for Income Tax	15.50	24.00

14.2 Disclosure of Penalties imposed by RBI :-Rs 1.00 Crore /-under sections 35A,47A of Banking Regulation Act 1949 for Noncompliance with Risk Mitigation Plan(RMP) .Under this ,bank was advised by RBI to implement Straight Through Processing(STP) to ensure proper credit monitoring/NPA identification(e.g.CBS & CrisMac) and to upgrade existing CrisMac system in use to facilitate process of automatic flagging of NPAs to mitigate operational risk but the prescribed deadline could not be met. The penalty was paid to RBI on 20.05.2019. However bank has approached RBI through letter dated May 31st,2020 for extension of timelines for NPA automation till August 30th,2020 amid COVID-19 pandemic, as more than 2 months' work has already been lost due to Covid 19 situation and further situation is still not clear as to when the normalcy will return and Hotels accommodations will be opened (accommodation will be required for lodging of Vendor development team).Request for extending the timeline has also been placed before the Board in the ensuing meeting.



15. Disclosure as per Accounting Standards (where RBI has issued guidelines)**15.1 Adoption of AS-15(R):**

The Bank has adopted Accounting Standard 15 (R) - Employees Benefits, issued by ICAI w.e.f. 1st April, 2007.

1. Pension

The fund is managed by Life Insurance Corporation of India, Bajaj Allianz Life Insurance Co. Ltd., ICICI Prudential Life Insurance Co. Ltd., India First Life Insurance Co. Ltd, SBI Life Insurance Co. Ltd., HDFC Standard Life Insurance Company Limited, Reliance Life Insurance Company Limited and IDBI Federal Life Insurance Co. Ltd. The Bank charges the annual contribution towards pension fund to its Profit & Loss Account. The Bank does not recognize the asset and liability in its books. The fund is managed by a separate recognized Trust.

2. Leave encashment

The fund is managed by LIC of India. The Bank charges the annual contribution towards the fund to its Profit & Loss account. The asset and liability are maintained in Memorandum Books.

3. Gratuity

The fund is managed by SBI Life Insurance Co. Ltd., Bajaj Allianz Life Insurance Co. Ltd., ICICI Prudential Life Insurance Co. Ltd., India First Life Insurance Co. Ltd. HDFC Standard Life Insurance Company Ltd, Reliance Life Insurance Company Ltd., LIC of India and IDBI Federal Life Insurance Co Ltd. The Bank charges the annual contribution towards Gratuity fund to its Profit & Loss Account. The Bank does not recognize the asset and liability in its books. The fund is managed by a separate recognized Trust.

4. Other Employees Benefits

In respect to other benefits, the Bank has made a provision of Rs. 5, 42,692 on account of LFC, Rs. 79,135.00 towards Ex. Gratia payment, Rs 3,66,162 on account of Baggage and Rs 12,04,47,210 on account of wage revision up to 31.03.2020. These provisions have been made on the basis of valuation obligation carried out by actuarial firm.

5. To make good for the loss of the Nainital Bank Ltd. Staff Provident Fund Trust

As per PF Act, any loss to the Trust has to be made good by the employer i.e. The Nainital Bank Limited. Keeping in view the same, the Bank had agreed to make good for the existing loss (i.e loss accumulated up to March 2017), amounting to Rs. 2.70 cr of the Nainital Bank Ltd Staff Provident Fund Trust, by spreading it over a period of -3- years. Accordingly, the Bank has made payment for an amount of Rs. 90.00 (Rupees Ninety lakhs only) which was the remaining 1/3rd contribution due for the third year vide its note dated 20.03.2020.

Further through its note dated 20.03.2020 The Bank has made payment of Rs.36.05 Lakhs to make good towards the loss of previous financial year i.e 2018-19 of the Nainital Bank Ltd Staff Provident Fund Trust.



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15.2.Changes in the present value of the obligation:

(Rs. in Crores)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Funded)
Present Value of defined benefit obligation as at 1 st April, 2018	278.70	41.96	19.72
Interest Cost	21.18	3.19	1.50
Current service cost	4.42	1.83	1.59
Past Service Cost	-	-	-
Less:	-	-	-
Benefits Paid	(5.94)	(10.60)	(4.66)
Actuarial (loss)/gain	21.35	0.84	1.57
Present value of defined benefits obligations as at 31 st March, 2019	319.71	37.22	19.72

15.3.Changes in the fair value of Plan Assets

(Rs. in Crores)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Funded)
Fair value of Plan Assets as at 1 st April, 2018	140.91	42.99	21.86
Difference in Opening fund	-	-	-
Expected Return of Plan Assets as in the actuarial report	14.88	2.86	1.44
Employer's Contribution 2018 -19	23.50	0.95	-
Annuities Purchased for retirees	(42.00)	-	-
Less:			
Benefits Paid	(5.94)	(10.60)	(4.66)
Actuarial loss/(gain)	-	-	-
Fair value of Plan Assets as at 31 st March, 2019	131.36	36.20	18.64

15.4.Net Actuarial Loss/Gain:

(Rs.in crores)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Funded)
Actuarial Loss / (gain) on obligation (A)	21.35	0.84	1.57
Actuarial Loss / (gain) on Plan Assets (B)	(4.32)	0.37	0.093
Net Actuarial loss / (gain)	17.03	1.21	1.66
Actuarial Loss/(gain) recognized in the period	17.03	1.21	1.66
Unrecognized Actuarial loss/ (gain) at the end of the year.	-	-	-



15.5. Expenses Recognized in Profit & Loss Account :

(Rs. in crores)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Funded)
Current Service Cost	4.42	1.83	1.59
Interest Cost	21.18	3.19	1.50
Expected Return on Plan Assets	(10.57)	(3.22)	(1.53)
Past Service Cost - Vested Benefits	-	-	-
Past Service Cost - Non-Vested Benefits	-	-	-
Transitional liability recognized during the year.	-	-	-
Less:	-	-	-
Net Actuarial Loss/(gain)	17.03	1.21	1.66
Net benefits expenses actually recognized	32.07	3.01	3.22

15.6. Amount recognized in the Balance Sheet:

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Funded)
Present value of Obligation	319.71	37.22	19.72
Fair Value of Plan Assets	131.36	36.19	18.64
Funded Status	(188.35)	(1.03)	(1.08)

15.7. Principal Actuarial Assumptions at the Balance Sheet date (expressed as weighted average):

(Rs. in crores)

Particulars	Pension (Funded)	Gratuity (Funded)	Leave Encashment (Funded)
Discount rate	6.81	6.81	6.81
Expected rate of return on Plan Assets	7.50	7.50	7.50
Rate of escalation in salary	5.00	5.00	5.00
Attrition rate			
Method Used	AS-15	AS-15	AS-15

16. Related Party disclosures (Accounting Standard 18):

(Rs. in crores)

Items/Related Party	Parent (as per ownership or control)	Parent's Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total



Maximum O/S	17.14 (17.14)	--	--	--	--	17.14 (17.14)
Non funded Commitments issued at the year end	0.00 (0.00)	--	--	--	--	0.00 (0.00)
Maximum O/S	0.00 (1.57)	--	--	--	--	0.00 (1.57)
Leasing/HP arrangements availed	--	--	--	--	--	--
Leasing/HP arrangements provided	--	--	--	--	--	--
Purchase of fixed assets	--	--	--	--	--	--
Purchase of Mutual Fund Unit	--	--	45.00 (75.00)	--	--	45.00 (75.00)
Sale of fixed assets	--	--	45.00 (75.00)	--	--	45.00 (75.00)
Sale of Mutual Fund Unit	--	--	45.00 (75.00)	--	--	45.00 (75.00)
Interest paid	0.00 (0.00)	--	--	--	--	0.00 (0.00)
Commission paid	0.54 (0.22)	--	--	--	--	0.54 (0.22)
Commission received	0.00 (0.00)	--	--	--	--	0.00 (0.00)
Dividend income	--	--	(Nil)	--	--	(Nil)
Profit on sale Of Units	Nil (Nil)	--	(Nil)	--	--	Nil (Nil)
Interest Paid (IBPC)	0.00 (0.00)	--	--	--	--	0.00 (0.00)
Interest received	0.00 (0.00)	--	--	--	--	0.00 (0.00)
Interest Received	0.00	--	--	--	--	0.00



(IBPC)	(0.00)					(0.00)
Rendering of services	--	-- (-)	--	--	--	-- (-)
Receiving of services	--	-	0.00	-	-	0.00
Management	-- (-)	--	--	0.32* (0.39)*	--	0.32* (0.39)*

Note:- Figures in brackets indicate previous year figures. Balances are subject to confirmation.

*Managerial Remuneration to CEO & COO

16.1. Names of the related parties and their relationship with the Bank:

(i)	Parent	:	Bank of Baroda (Major Shareholder)
(ii)	Key Management Personnel	(I)	Shri Dinesh Pant (Chairman & CEO)
		(II)	Shri A.K.Singh (Chief Operating Officer & Chief Financial Officer) till 07.06.2019 Shri O.P.Jagarwal(Chief Operating Officer & Chief Financial Officer w.e.f. 26.08.2019.
(iii)	Parent's Subsidiary		Domestic Subsidiaries
		(I)	Baroda Global Shared Services Limited
		(II)	BOB Financial Solutions Limited (formerly known as BOB cards Limited)
		(III)	BOB Capital Markets Ltd. Baroda Asset Management India Limited (Formerly
		(IV)	known as Baroda Pioneer Asset Management Company Limited)
		(V)	Baroda Trustee India Private Limited (Formerly known as Baroda Pioneer Trustee Company Pvt. Limited)
			Overseas Subsidiaries
		(I)	Bank of Baroda (Botswana) Ltd.
		(II)	Bank of Baroda (Kenya) Ltd.
		(III)	Bank of Baroda (Uganda) Ltd.
		(IV)	Bank of Baroda (Guyana) Ltd.
		(V)	Bank of Baroda (New Zealand) Ltd.
		(VI)	Bank of Baroda (Tanzania) Ltd.
(VII)	Bank of Baroda (Trinidad & Tobago) Ltd.		
(VIII)	Bank of Baroda (UK) Ltd.		

17. Accounting for Taxes on Income (Accounting Standard 22)

The breakup of deferred tax asset / liability at the year end is as under:

(Rs. in crores)

Item	31.03.2020	
	Total Deferred Tax Assets	Total Deferred Tax Liability
Difference between WDV as per book (Without Revaluation Reserve) and depreciation under Income Tax Act	1.62	-



Provision For Employee Benefits	5.13	-
Reserve created u/s 36(i)(viii)	-	6.44
Total	6.75	6.44
Total Deferred Tax Liability as 31.03.2020	0.31	-

There is no additional Deferred Tax Liability for the year-ended 31.03.2020 (Previous year DTL Rs.2.28 crore) has been recognized in the Profit and Loss Account.

Total Deferred Tax Asset as on 31.03.2020 is Rs 0.31 Crores. In view of the management, there is no timing difference arising in connection with NPA provisions, hence no deferred tax assets have been recognized.

18. Earnings per share-

Particulars		31.03.2020	31.03.2019
a)	Earnings per share		
	Basic	-8.78	6.31
	Diluted**	-8.78	6.31
b)	Amount used as numerator (Profit after tax)	-68.07	Rs. 48.89 Crore
c)	Nominal value of shares	Rs 10/-per share	Rs 10/-per share
d)	Weighted average number of equity shares used as the denominator	77500000	77500000

**The bank has no dilutive potential equity shares outstanding during the year for the purpose of computing diluted EPS and the basic earnings per share has been computed by dividing net profit after tax by the weighted average number of equity shares as per AS-20.

19. Impairment of Assets (Accounting Standard 28)

In the opinion of the Bank's Management, there is no impairment of the assets to which aforesaid Accounting Standard applies to any material extent as at 31.03.2020.

20. Statement of contingent Liability & Provisions (Accounting Standard 29)

(Rs. in crore)

Item	Provision As per AS - 29							
	Amt. for which the Bank is contingently Liable	Provisio n as at the beginning of the Year	Addition during the year	Amount used during the year	Unuse d amount reverse d during the year	Provision as at the close of the year	Major assumption regarding future events	Remar ks



Claims against the Bank not acknowledged as debt	0.48 (0.48)	0.14 (0.14)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.13 (0.14)	*	-
Guarantees issued on behalf of constituents	85.41 (81.28)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	*	-
Acceptance Endorsements and other obligations	9.91 (13.03)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	*	-
Other items, for which the Bank is contingently liable	19.05 (15.60)	0.14 (0.14)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.14 (0.14)	*	-

*Such liabilities are dependent upon the outcome of court/arbitration/out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations, development and raising of demand by concerned parties respectively.

21. In accordance with RBI guidelines, the Bank's Investment portfolio has been classified into three categories. The position of holding as on 31.03.2020 is as follows:

		(Rs. in crores)	
S No	Particulars	31.03.2020	31.03.2019
1	Held to Maturity	1072.65	871.47
2	Available for sale	603.57	673.03
3	Held for trading	0.00	0.00

(% holding)

S No	Particulars	31.03.2020	31.03.2019
1	Held to Maturity	63.99%	56.42%
2	Available for sale	36.01%	43.58%
3	Held for trading	0.00%	0.00%

22. Break-up of the items "Provisions and Contingencies" included under the head Expenditure in the Profit & Loss Account:

(Rs. in crore)

		2019-20	2018-19
1.	Provision for Income Tax (Current Tax)	15.50	24.00
2.	Provision for Income Tax (Deferred Tax)	-2.59	-2.06



3.	Provision for depreciation in investment	-6.90	5.61
4.	Provision towards NPA Regulatory	160.18	47.10
5.	Provisions towards NPA floating	3.13	6.80
6.	Provision for standard Advances	3.02	0.97
7.	Provision for Restructured Advances	0.00	0.00
8.	Provision against frauds	0.00	0.00
9.	Other provision (Claim against bank write back)	0.00	0.00
10.	Staff Welfare & Wage Revision	11.08	
	Less: Excess Provision /Depreciation on Investment written back	-	-
	: Other Provisions written back	-	-
	Total	180.30	82.42

23. Statement showing the position of Complaints:

23.1 Customer Complaints:

		*2018-19	**2017-18
a)	No. of complaints pending at the beginning of the year	36	36
b)	No. of complaints received during the year	1957	3462
c)	No of complaints redressed during the year (includes all complaints mentioned in point.(a))	1941	3462
d)	No. of complaints pending at end of the year (out of b)	16	36

*It is clarified that out of the total -1957- complaints received during the year 2019-20, -1850- complaints pertained to ATM failed transactions/charged back cases and the remaining -107- complaints were related to deficiency in services in respect to daily operations, credit, staff misbehaviour and complaints having vigilance tone. Further Out of -1850-cases pertaining to ATM failed transactions/ charged back cases, -1836- were resolved to the satisfaction of customers amicably, within the stipulated time frame and only -14- cases which were received at the end of month of March 2020, were in process of resolution. Similarly out of total -107- complaints related to deficiency in services in respect to daily operations, credit, staff misbehaviour and complaints having vigilance tone -105-were settled to the satisfaction of the customers and only -2- complaints are pending at the end of FY 2019-20, hence making a total of 16 pending complaints at the end of FY 2019-20.

*It is clarified that out of the total -3462- complaints received during the year 2018-19, -3349- complaints pertained to ATM failed transactions/charged back cases and the remaining -113- complaints were related to deficiency in services in respect to daily operations, credit, staff misbehaviour and complaints having vigilance tone. Further Out of -3349-cases pertaining to ATM failed transactions/ charged back cases, -3314- were resolved to the satisfaction of customers amicably, within the stipulated time frame and only -35- cases which were received at the end of month of March 2019, were in process of resolution. Similarly out of total -113- complaints related to deficiency in services in respect to daily operations, credit, staff misbehaviour and complaints having vigilance tone -112-were settled to the satisfaction of the customers and only -1- complaint is pending at the end of FY 2018-19, hence making a total of 36 pending complaints at the end of FY 2018-19 which stand disposed as on 31.03.2020.



23.2 Awards Passed by the Banking OMBUDSMAN:

		2019-20	2018-19
a)	No. of unimplemented Awards at the beginning of the year	NIL	NIL
b)	No. of Awards passed by the Banking Ombudsmen during the year	NIL	NIL
c)	No of Awards implemented during the year	NIL	NIL
d)	No. of unimplemented Awards at the end of the year	NIL	NIL

24. Disclosure of letter of comfort (LOC) issued by Bank:

Disclosure of letter of comfort (LOC) issued by Bank:	2019-20	2018-19
	NIL	NIL

24.1. Advances to SC/STs

(Rs in crores)

		2019-20	2018-19
1.	Outstanding credit to SC/STs at the year end	55.67	49.86
2.	Recovery from SC/STs borrowers during the year	25.38	21.17

24.2. Interbank Participation Certificate (IBPC):

Bank has participated in Inter Bank Participation Certificate (IBPC) on risk sharing basis, for Rs.300.00 Crores with HDFC Bank Limited.

24.3. Foreign Currency Exposure:

Bank has taken foreign currency exposure amounting INR 214.50 lakh on behalf of its constituents through Bank of Baroda as on 31.03.2020. Bank of Baroda has hedged these exposures. Accordingly no provision has been made by the Bank for currency fluctuations in these exposures.

Figures for the previous year have been regrouped/ re casted wherever considered necessary to make them comparable with current year figures.

25. Additional Disclosure:**I- Concentration of NPAs* as on 31.03.2020**

(Rs.in crores)

Total Exposure to top four NPA accounts	2019-20	2018-19
	231.35	188.05

II - Sector-wise NPAs*

Sl. No.	Sector	Percentage of NPAs to total Advances in that sector (including both Priority & Non Priority)	
		2019-20	2018-19
1	Agriculture & Allied Activities	16.76	15.61
2	Industry (Micro & Small, Medium and Large)	39.70	20.51
3	Services	6.77	7.62
4	Personal Loans	2.59	2.25



III- Movement of NPAs*

(Rs. in crores)

Particulars	2019-20	2018-19
Gross NPA* as on 1st April of previous year (Opening Balance)	388.22	167.48
Additions (Fresh NPAs) during the year	181.68	252.91
Sub - Total (A)	569.90	420.39
Less :-		
(i) Upgradations	5.46	5.32
(ii) Recoveries (excluding recoveries made from upgraded accounts)	27.95	25.89
(iii) Write - offs	0.46	0.96
Sub - Total (B)	33.87	32.17
Gross NPA* as on 31st March of current year(closing balance)(A-B)	536.03	388.22

*Gross NPAs are net of balance in interest suspense account as per RBI requirements vide circular dated 24.09.2010.

IV. Concentration of Advances

(Rs. in crore)

	2019-20	2018-19
Total Advances to twenty largest borrowers	1024.19	797.45
Percentage of advances to twenty largest borrowers to Total Advances of the bank	24.87	21.88%

V. Sector wise advances

(Rs. in crore)

Sr. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advance	Gross NPA	Percentage of gross NPA to Total Advance in that sector	Outstanding Total Advance	Gross NPAs	Percentage of Gross NPA to Total Advance in that sector
A	Priority Sector	2047.77	339.70	16.59	1908.67	197.35	10.34
1	Agriculture and allied activities	813.94	144.86	17.80	751.02	117.95	15.70
2	Advances to industries sector eligible as priority sector lending	366.00	133.05	36.35	358.72	29.87	8.32
3	Services	599.27	50.70	8.46	536.34	40.35	7.52

4	Personal Loan	268.55	11.08	4.13	262.59	9.18	3.49
	Sub Total (A)	2047.77	339.70	16.59	1908.67	197.35	10.34
B	Non Priority Sector	2070.26	196.32	9.48	1736.05	190.87	11.00
	TOTAL	4118.03	536.03	13.02	3644.72	388.22	10.65

Annex - 1**Part A****Details of Gross Advances, Gross NPAs, Net Advances and Net NPAs on 31.03.2019**

Particulars		Amount (Rs.in Crores)	
		31.03.2020	31.03.2019
1.	Standard Advances	3582.00	
2.	Gross NPAs	536.03	388.22
3.	Gross Advances (1+2)	4118.03	3644.72
4.	Gross NPAs as a percentage of Gross Advances (2/3) (in %)	13.02	10.66%
5.	Deductions		
(i)	Provisions held in the case of NPA Accounts as per asset classification (including additional Provisions for NPAs at higher than prescribed rates).	274.69	114.98
(ii)	DICGC / ECGC claims received and held pending adjustment		-
(iii)	Part payment received and kept in Suspense Account or any other similar account	14.34	14.00
(iv)	Balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA Accounts	-	-
(v)	Floating Provisions	62.85	59.72
(vi)	Provisions in lieu of diminution in the fair value of restructured accounts classified as NPAs	-	-
(vii)	Provisions in lieu of diminution in the fair value of restructured accounts classified as standard assets	0.00	0.00
6.	Net Advances(3-5)	3766.15	3456.02
7.	Net NPAs {2-5(i + ii + iii + iv + v + vi)}	184.14	199.52
8.	Net NPAs as percentage of Net Advances (7/6) (in %)	4.89	5.77%

VI. Concentration of Exposures

(Rs. in crore)

	2019-20	2018-19
Total Exposures to twenty largest borrowers/ customers.	1154.36	942.59
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the bank on borrowers / customers	28.03%	22.66%



VII. Concentration of Deposits

(Rs. in crore)

	2019-20	2018-19
Total Deposits from twenty largest Depositors	1615.31	1804.13
Percentage of Deposits from twenty largest customers to Total deposits of the bank	21.04%	24.76%

VIII. Bancassurance Business

The total income of the bank in respect of bank assurance business was Rs.158.36 Lacs during the financial year 2019-20, with details as under:

(Rs in lacs)

Sr. No.	Insurance Company	Amount	
		2019-20	2018-19
1	Exide Life Insurance Company Ltd.	98.24	54.07
2	National Insurance Company Ltd	23.05	22.47
3	India First Life Insurance Co. Ltd	7.46	7.83
4	PMJJBY(Life Insurance Corporation of India)	-	3.11
5	Future Generalli Insurance Co.Ltd.	29.61	-
6	Atal Pension Yojna	-	0.18
7	Future Generalli	-	25.43
	Total	158.36	113.09

The total income of the bank in respect of other products was Rs. 4.22 Lac during the financial year 2019-20, with details as under.

(Rs. in lacs)

Sr. No.	Company	Amount	
		2019-20	2018-19
1	Weizmann Forex Ltd.	-	0.23
2	UTIITSL	-	-
3.	Stock Holding Corporation of India Ltd.	-	0.03
4.	Atal Pension Yojna	1.12	-
5.	PMJJBY	3.10	-
	Total	4.22	0.26

IX. DEAF (Depositor Education and Awareness Fund)

(Rs. in crore)

	2019-20	2018-19
Opening balance of amounts transferred to DEAF	15.54	13.85
Add: Amounts Transferred to DEAF during the year	3.67	2.16
Less :Amounts reimbursed by DEAF towards claims	0.16	0.47
Closing balance of amounts transferred to DEAF	19.05	15.54



X. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS) :

In terms of RBI circular No.DBR.BP.BC No.76/21.07.001/2015-16 dated February 11,2016 banks were required to implement with the Indian Accounting Standard (Ind AS) for financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31,2018 or thereafter. Banks were further instructed to assess the impact of the Ind AS implementation on their financial position including the adequacy of capital, taking into account the Basel III capital requirements and place quarterly progress reports to their Boards. Banks also need to be in preparedness to submit proforma Ind AS financial statements to the reserve bank from the half year ended September 30,2016 onwards. In compliance with the said circular, the bank has formed a Steering Committee headed by the General Manager and report to the Audit Committee of the bank. Bank is submitting Performa for IND AS statements starting from the half year ended 30th September, 2016 onwards to RBI on a regular basis.

Further Reserve Bank of India notified on March 22, 2019 that it had decided to defer the implementation of Indian Accounting Standards (IndAS) till further notice, however RBI has instructed the Banks to submit INDAS Performa quarterly on a regular basis. Last such performa for the quarter ended 31.12.2019 has been sent to RBI within due time.

XI. PROVISIONS TOWARDS WAGE REVISION

In view of Wage revision at industry level w.e.f. November,2017,we have made a provision of Rs. 6307547.60 (Rupees Sixty Three Lakh Seven Thousand Five Hundred Forty Seven and Paisa Sixty Only) for a period of 5 Months from November 2017 to March 2018 on the basis of initial offer of 2% wage hike by IBA , calculated keeping in view the gross wages at the end of October 2017 as base. Further, for the FY 2018-19, a provision of Rs. 70945242.40 (Rupees Seven Crore Nine Lakh Forty Five Thousand Two Hundred Forty Two and Paisa Forty) on the basis of IBAs' the then offer being 10% expected wage hike was made and calculated keeping in view gross wages at the end of October 2017 as base.

Now, keeping in view the revised offer of 15% by IBA to the banking fraternity, we have made a provision of Rs 12,04,47,210/= (Rs Twelve Crores Four Lacs forty seven thousand two hundred ten only)for the FY 2019-20 for wage revision keeping in view the gross wages of October 2017, as base amount of wages.

XII. DIGITIZATION OF THE BANK:

A Digital Venture in the Bank was initiated with appointment of six persons with required expertise in the field. With a view to oppose the Digital Venture in the Bank, a few office bearers of Nainital Bank Officers Association had filed a petition before Committee of Petitions, Lok Sabha, New Delhi. After long deliberations the Committee of Petitions had submitted its report on 18.12.2018 to Ministry of Finance (Department of Financial Services) with recommendations to permanently scrap the DV project and at the same time, to make efforts to extend the existing Digital Banking Project of Bank of Baroda in The Nainital Bank Limited. In the meantime, all the six persons appointed as DV team members in the bank had left the project and there is no activity in the DV project of the bank as on date. Bank has incurred an expenditure of Rs 0.45 Crores on Digital Venture in the financial year 2019-20.



XIII. TOP 20 BORROWAL CUSTOMERS AS ON 31.03.2020

(Rs.in crores)

TOP 20 BORROWAL CUSTOMERS AS AT 31.03.2020 (In Rs.)			
Sl.NO.	CUSTOMER NAME	Branch	Total Exposure
1	IBPC-ADANI INFRASTRUCTURE MANAGEMENT SERVICES LTD	HO	116.44
2	SHRI JAIPAL SINGH SHARMA TRUST	GHAZIABAD	109.46
3	IBPC-GLIDER BUILDCOM REALTORS PRIVATE LIMITED	HO	88.34
4	GRAPHIC ERA EDUCATIONAL SOCIETY	RAJPUR/HARIDWAR RD DDN	86.75
5	SHYAMA POWER INDIA LTD	GURGAON	75.11
6	RUDRA AUTO TECH ENGG PVT LTD	RUDRAPUR	71.46
7	IL & FS TRANSPORTATION NET Ltd	PATPARGANJ	70.12
8	IBPC-SURYODAY ONE ENERGY PVT LTD	HO	64.04
9	VRY LOGISTIC PARK LLP	PAPPANKALAN	55.83
10	RBNS SUGAR MILLS LIMITED	ROORKEE	50.36
11	AKS MEDICAL & RESEARCH CENTRE PVT LTD	NOIDA-18	49.93
12	BENLON INDIA LIMITED	SHALIMAR BAGH	48.66
13	SHRI BALAJI FARMS AND RICE PROCESSING PRIVATE LIMITED	BAREILLY	46.14
14	NAINI AUTO TECH	RUDRAPUR	41.16
15	H C YADAV & JITENDRA YADAV	PAPPANKALAN	37.62
16	VRY INDUSTRIAL PARK	PAPPANKALAN	32.61
17	RAJASTHAN FLEXIBLE P LTD	PITAMPURA	31.85
18	IBPC-MAHIRA VENTURES PVT LTD	HO	31.18
19	JINDAL REFINERIES LTD	KASHIPUR	24.00
20	ADVANCED MEDICAL SCIENCE & EDUCATIONAL SOCIETY	SHALIMAR BAGH	23.19



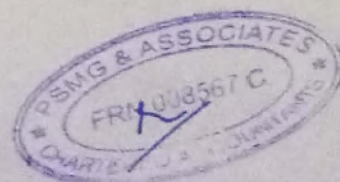


THE NAINITAL BANK LTD
Head Office Naini Bank House
Seven Oaks, Mallital
Nainital 263001(Uttarakhand)

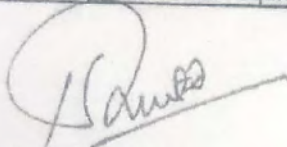
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Thousands)

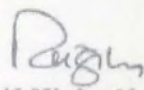
	Year Ended 31.03.2020	Year Ended 31.03.2019
A. Cash flow from operating activities :		
Net profit before taxes.	-525663	508887
Adjustments for :		
Depreciation on fixed Assets	31993	36482
Depreciation on investment Written back		0
Provision made on investment	-69028	56083
Provision in respect of NPA.	1601809	538994
Provision for standard assets restr.	30239	9745
Provision for other items.	110814	0
Profit (Loss) on sale of fixed Assets.	-120	28
Deferred Tax for Current year	-25858	-20602
Excess Provision written back	0	0
	1154185	1129597
Adjustment for :		
(Increase)/Decrease in investments	-1317111	1656264
(Increase)/Decrease in advances	-3132413	-1518145
(Increase)/Decrease in other assets	-820366	-575446
Increase/(Decrease) in Borrowings	60	-28
Increase/(Decrease) in deposits	3932389	-456822
Increase/(Decrease) in other liabilities and provisions	-1696411	-301578
Direct Taxes paid.	-155000	-240000
Net cash from operating activities (A)	-2034865	-306158
B. Cash flow from investing activities :		
(Increase)/Decrease in fixed Assets	-20448	-25538
Changes in Trade related investments	0.00	0.00
Dividend received from subsidiaries/others	0.00	0.00
Net Cash from Investing activities (B)	-20448	-25538

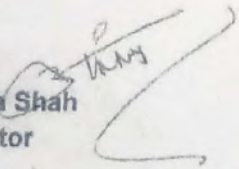


C. Cash flow from financing activities		
Share Capital	0	0
Share Premium	0	0
Unsecured Redeemable Bonds	0.00	0.00
Dividend	-46715	-167899
Interest paid/payable on unsecured redeemable bonds	0.00	0.00
Net Cash from financing activities (C)	-46715	-167899
Net increase in cash & cash equivalents (A)+(B)+(C)	-2101828	-499595
Opening Cash & cash equivalents	28257798	28757393
Closing Cash & cash equivalents	26155970	28257798

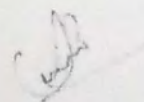

Dinesh Pant
 Chairman &
 Chief Executive Officer

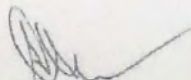
Mradul Kumar Agarwal
 Director

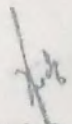

R.K. Miglani
 Director


Binita Shah
 Director

Sanjay Mudaliar
 Director


O.P. Jagarwal
 Chief Operating Officer
 & Chief Financial Officer

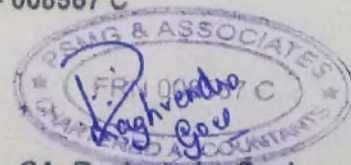

S.C. Shukla
 Associate Vice President
 Accounts & Operations


Vivek Sah
 Company Secretary

Place : Nainital
 Date : 08.06.2020



as per our report of even date
 For PSMG & Associates
 Chartered Accountants
 FRN- 008567 C



CA Raghendra Goel
 Partner, MN-426476