

Shares and Bonds Department
Head Office

Ref. No. HO/SD/69

Dated: 11.05.2018

The Vice President
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra- Kurla Complex
Bandra East, Mumbai-400 051

The Vice President
BSE Ltd.
P.J Towers, Dalal Street
Mumbai-400001

Dear Sir/Madam,

**Audited Financial Results of the Bank
for the fourth quarter and financial year ended on 31.03.2018**

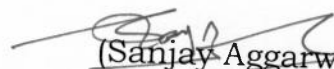
In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the Audited Financial Results of the Bank including Segment Results for the fourth quarter and financial year ended on March 31st, 2018, Notes on accounts thereon and Auditors' Report on the financial statements. The said financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in its meeting held on date i.e. 11.05.2018.

The Board meeting commenced at 15:00 hrs and concluded at 17:45 hrs.

We hereby declare and confirm that the Statutory Central Auditors of the Bank have issued the Auditor's Report on Financial Statements of the Bank (Both Standalone and consolidated) for the Financial Year ended on 31st March, 2018 with **Unmodified Opinion**.

This is for your information and records please.

Yours faithfully,


(Sanjay Aggarwal)
General Manager (F &A) and CFO

Encl: As stated



ALLAHABAD BANK
AUDITED FINANCIAL RESULTS
for Quarter and Year ended 31st March, 2018

(₹ In lakh)

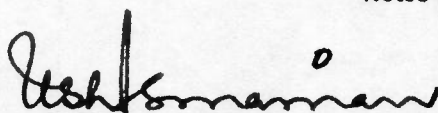
PARTICULARS	Quarter Ended			Year Ended		Year Ended (Consolidated)	
	31.03.2018 (Audited)	31.12.2017 (Reviewed)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
1. Interest Earned (a) + (b) + (c) + (d)	377681	424383	437218	1635849	1766039	1639844	1769435
(a) Interest/discount on Advances/ Bills	243076	286902	286030	1102853	1260310	1102853	1260309
(b) Income on Investments	110925	106895	105753	409734	412012	413720	415393
(c) Interest on balances with Reserve Bank of India and other inter bank funds	14184	24294	25783	96866	61269	96875	61285
(d) Others	9496	6292	19652	26396	32448	26396	32448
2. Other Income	48256	51150	73289	269256	264433	308907	288459
A TOTAL INCOME (1) + (2)	425937	475533	510507	1905105	2030472	1948751	2057894
3 Interest Expended	288848	289692	301109	1162610	1237336	1162674	1237293
4 Operating Expenses (e) + (f)	124799	93624	102832	398663	406459	428148	429719
(e) Employee Cost	76422	49235	53759	215810	228594	217863	230632
(f) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure have been shown separately)	48377	44389	49073	182853	177865	210285	199087
B Total Expenditure (3) + (4) excluding Provisions and Contingencies	413647	383316	403941	1561273	1643795	1590822	1667012
C Operating Profit (A - B) (Profit before Provisions & Contingencies)	12290	92217	106566	343832	386677	357929	390882
D Provisions (other than tax) and Contingencies	478342	241346	143016	1002934	447147	1003127	447200
Of which provisions for Non-performing Assets	512600	204423	148988	1032645	455237	1032645	455237
E Exceptional Items	0	0	0	0	0	0	0
F Provision for Taxes	(115089)	(22750)	(47566)	(191665)	(29119)	(187776)	(28418)
G Net Profit (+)/ Loss(-) from Ordinary Activities (C-D-E-F)	(350963)	(126379)	11116	(467437)	(31351)	(457422)	(27900)
H Extraordinary Items (Net of Tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I Net Profit(+)/Loss(-) for the period (G-H)	(350963)	(126379)	11116	(467437)	(31351)	(457422)	(27900)
J Paid-up equity share capital (Face Value @ ₹ 10 per Share)	84404	80021	74369	84404	74369	84404	74369
K Reserves excluding Revaluation Reserves (As per balance sheet of previous accounting year)	686742	1095224	1095224	686742	1095224	725530	1127403
Analytical Ratios							
(i) Percentage of shares held by Government of India	64.78	68.32	65.92	64.78	65.92	65.92	65.92
(ii) Capital Adequacy Ratio (%)	8.69	11.27	11.45	8.69	11.45	8.83	11.61
(a) CET 1 Ratio (%)	5.57	7.33	8.20	5.57	8.20	5.71	8.36
(b) Additional Tier 1 Ratio (%)	1.12	1.05	0.29	1.12	0.29	1.12	0.29
(iii) Earning per share (EPS) (₹)	(43.10)	(15.79)	1.49	(59.63)	(4.36)	(58.35)	(3.88)



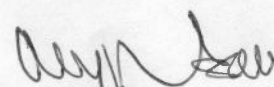
(iv)	a) Amount of Gross Non-Performing Assets	2656279	2326081	2068783	2656279	2068783	2656279	2068783
	b) Amount of Net Non-Performing Assets	1222913	1364652	1343351	1222913	1343351	1222913	1343351
	c) % of Gross NPAs	15.96	14.38	13.09	15.96	13.09	15.96	13.09
	d) % Net NPAs	8.04	8.97	8.92	8.04	8.92	8.04	8.92
(v)	Return on Assets (Annualised) %	(5.77)	(2.09)	0.19	(1.96)	(0.13)	(1.88)	(0.12)
	Items of Other Operating Expenses exceeded by 10% of total expenditure excluding Interest Expenditure							
	Rent, Taxes & Lighting	10873	10151	14589	43501	50288		51646

* Not exceeding 10% of total expenditure excluding Interest Expenditure

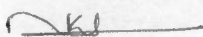
Notes on Accounts as per Annexure



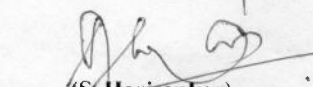
(Usha Ananthasubramanian)
Managing Director & CEO



(B. K. Sahoo)
Director



(N. K. Sahoo)
Executive Director



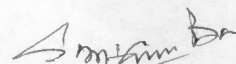
(S. Harisankar)
Executive Director



(S. Aggarwal)
General Manager(F&A) & CFO



(S. K. Jain)
Dy. General Manager(F&A)

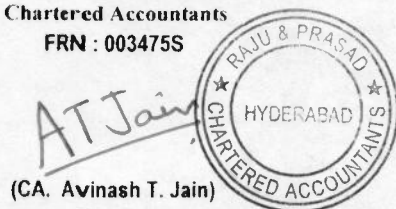


(S. Bal)
Asst General Manager(F&A)

Statutory Central Auditors

(In terms of our report of even date)

For M/s Raju & Prasad
Chartered Accountants
FRN : 003475S



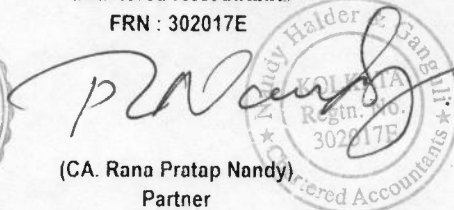
(CA. Avinash T. Jain)
Partner
Membership No. - 041689

For M/s Kansal Singla & Associates
Chartered Accountants
FRN : 003897N



(CA. Surinder Kumar)
Partner
Membership No. - 070405

For M/s Nandy Halder & Ganguli
Chartered Accountants
FRN : 302017E



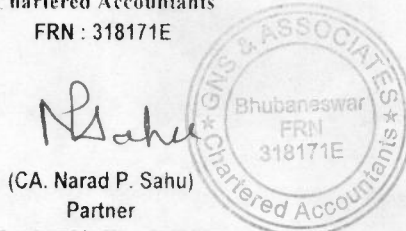
(CA. Rana Pratap Nandy)
Partner
Membership No. - 051027

For M/s De & Bose
Chartered Accountants
FRN : 302175E



(CA. Tarit Dasgupta)
Partner
Membership No. - 053380

For M/s GNS & Associates
Chartered Accountants
FRN : 318171E



(CA. Narad P. Sahu)
Partner
Membership No. - 055224

**NOTES FORMING PART OF AUDITED FINANCIAL RESULTS FOR THE
QUARTER / YEAR ENDED 31ST MARCH, 2018**

- 1) The Bank is following the same significant Accounting Policies in preparation of these financial results as were followed in the annual financial statements for the year ended 31st March, 2017 except for the treatment of depreciation on revalued portion of fixed assets for which Accounting Standard-10 (revised - 2016) on 'Property Plant & Equipment' has been followed (explained in note No. 4 below).
- 2) The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of Bank in its meeting held on May 11, 2018.
- 3) The financial results for the quarter and year ended on 31st March, 2018 have been arrived at after considering provisions for Non-performing assets, Standard Assets, Restructured Advances, Investment Depreciation, Sundry Liabilities (Interest Capitalisation) account for Funded Interest Term Loan (FITL), and provision for exposure to entities with Unhedged Foreign Currency Exposure on the basis of prudential norms and specific guidelines issued by Reserve Bank of India. Provisions for employee benefits have been made on the basis of actuarial valuation based on AS-15(R) issued by The Institute of Chartered Accountants of India.
- 4) Pursuant to the Accounting Standard-10 (revised 2016) on Property Plant & Equipment, applicable from 1st April, 2017, depreciation of ₹43.54 crore for the year on revalued portion of fixed assets (including ₹ 10.64 crore for the current quarter) has been transferred during the year from the Revaluation Reserve to Revenue Reserve instead of crediting to other income of Profit & Loss account. Prior to change in AS-10, depreciation on revalued portion of fixed assets amounting to ₹ 47.56 crore was charged to Revaluation Reserve to the credit of Other Income, as was done in the previous year (2016-17).
- 5) The Bank has issued and allotted 5,65,24,678 new equity shares to Government of India (President of India) on preferential basis on 07.08.2017 against the capital infusion of ₹ 418 Crore received by the Bank on 31.03.2017 from Government of India (President of India) for FY 2016-17. During FY 2017-18, the Bank received capital infusion fund of ₹ 1500.00 crore (Rupees One thousand five hundred crore) from Govt. of India on 27.03.2018 under PSBs recapitalization plan. The Bank is maintaining the same as "Share Application Money Pending Allotment" as on 31.03.2018. The Bank has reckoned the entire amount of capital infusion fund of ₹ 1500.00 crore (Rupees One thousand five hundred crore) received from Government of India as CET 1 capital as on 31.03.2018.



- 6) *AllBank Finance Ltd.* (Erstwhile wholly owned Subsidiary of Bank) has been amalgamated with Allahabad Bank. The appointed date of amalgamation was 01.04.2017 and effective date was 14.03.2018.
- 7) In accordance with RBI guidelines, the Bank has one time shifted the securities having book value of ₹ 22236.50 crore from HTM to AFS category during the first quarter of FY 2017-18 with the approval of Board of Directors. As the Market Value of such securities was more than Book Value, no depreciation was provided.
- 8) RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants an option to the Banks to spread provisioning for mark to market losses on investments for the quarters ended December 31, 2017 and March 31, 2018 equally over the four quarters commencing with quarter in which the loss is incurred. Accordingly, the Bank has exercised the option and recognized the Mark to Market loss (MTM Loss) on investment in the quarter of incurrence. The provision for depreciation of the investment portfolio as on December 2017 was ₹1279.00 crore (without spreading) and ₹871.32 crore (after spreading in four quarters i.e from December 2017 to September 2018) and as on March 2018 was ₹1731.10 crore (without spread) and ₹1322.09 crore (with spread in four quarters from March 2018 to December 2018). Hence the balance to be provided in the subsequent quarters i.e. ₹181.64 crore for quarter ending June 2018, ₹181.63 crore for the quarter ending September 2018 & ₹45.74 crore for the quarter ending December 2018.
- 9) RBI circular DBOD No. BP.BC. 1/21.06.201/2015-16 dated July 01, 2015 on 'Basel III capital Regulations' read together with RBI circular DBR. No. BP. BC. 80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standard Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are being made available on the Bank's website www.allahabadbank.in. These disclosures have not been subjected to Audit by the auditors.
- 10) Based on the available data, available financial statements and the declaration from borrowers wherever received, the Bank has estimated the liability of ₹ 2.25 crore up to 31st March, 2018 (Previous year ₹ 9.04 crore) on Unhedged Foreign Currency Exposure to their constituents in terms of RBI circulars dated 15.01.2014 and 03.06.2014. The said amount has been fully provided for.



- 11) In compliance with RBI directives, accounts shown under Annex III of Asset Quality Review (AQR) wherein restructuring was failed due to performance issues or non fulfillment of certain conditions and necessary provisions was held in those accounts in terms of RBI directives, have been reviewed as on 31st March 2018 and has now being classified and provision has been made as per the IRAC norms.
- 12) During the financial year 2017-18, forty three (43) number of fraud cases were reported involving a total amount of ₹1525.35 crore. Out of these accounts, the Bank has recovered a total amount of ₹2.76 crore and made a total provision for balance amount of ₹ 1522.59 crore during the year. The quantum of unamortized provision debited from 'Other Reserves' as at the end of year amounting to ₹ 390.58 crore in pursuance to RBI circulars DBR.No.BP.BC.83/21.04.048/2014-15 dated April 1, 2015 and DBR.No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 as the provision for fraud can be amortized over a period of four quarters.
- 13) The Bank has recognized Deferred Tax Assets of ₹ 1118.19 Crore on business loss and unabsorbed depreciation as per Income Tax Act for the FY 2017-18 based on thorough review and according to Accounting Standard (AS) 22-Accounting for Taxes on Income.
- 14) In terms of RBI circular FIDD. CO. Plan. BC. 23/04.09.01/ 2015-16 dated April 7, 2016, the Bank has sold 2320 units of Priority Sector Lending Certificate (PSLC) during the quarter, amounting to ₹ 580 crore under Micro category.



- 15) Divergence in Asset Classification and Provisioning for NPAs in compliance to Risk Assessment Report (RAR) of RBI for the year 2016-17 are reported as under;

SI No.	Particulars	Amount
1	Gross NPAs as on March 31, 2017 as reported by the Bank	20687.83
2	Gross NPAs as on March 31, 2017 as assessed by RBI	21765.63
3	Divergence in Gross NPAs (2-1)	1077.80
4	Net NPAs as on March 31, 2017 as reported by the Bank	13433.51
5	Net NPAs as on March 31, 2017 as assessed by RBI	14358.91
6	Divergence in Net NPAs (5-4)	925.40
7	Provisions for NPAs as on March 31, 2017 as reported by the Bank	7254.32
8	Provisions for NPAs as on March 31, 2017 as assessed by RBI	7406.72
9	Divergence in Provisioning (8-7)	152.40
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	(313.52)
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning.	(465.92)

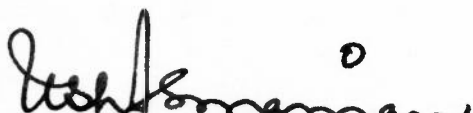
- 16) Reserve Bank of India vide their letter no. DBR. BP. 9730/21/21.04.2018/2017-18 dated 27.04.2018 has given the option to the Banks to spread the additional liability on account of the enhancement in gratuity limits from ₹ 10 lac to ₹ 20 lac from 29.03.2018 under the Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended 31st March, 2018. Accordingly, ₹10.78 crore provision has been provided in the quarter ended 31.03.2018 and deferred ₹32.32 crore to subsequent three quarters of the ensuing financial year.
- 17) In respect of two Gems and Jewellery borrower Group, where fraud was declared by some banks, the Bank has fully provided for the entire funded exposure.
- 18) In terms of RBI directions vide letter No. DBR No. BP. BC. 15199/21.04.048/2016-17 dated 23rd June, 2017 and letter No. BP. BC. 1841/21.04.048/2017-18 dated August 28, 2017, in respect of certain NPA accounts covered under the provisions of Insolvency and Bankruptcy Code (IBC), the Bank has made additional provision of ₹ 672.61 crore as at March 31, 2018.
- 19) Non Performing Loan Provision Coverage Ratio of the Bank is 62.91%

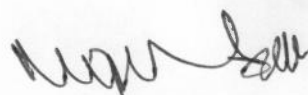


- 20) Corresponding previous period/ quarter ended figures have been regrouped/ reclassified, wherever necessary in order to make them comparable.

Statement of Assets and Liabilities is as under

(₹ in lacs)				
Particulars	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)	As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
	Standalone		Consolidated	
Capital and Liabilities :				
Capital	84404	74369	84404	74369
Reserve and Surplus	942435	1355271	981222	1387450
Share Application Money pending allotment	150000	41800	150000	41800
Deposits	21360383	20187022	21359539	20183531
Borrowings	2140052	1467032	2141242	1468251
Other Liabilities	594157	578294	660565	640862
Total	25271431	23703788	25376972	23796263
Assets :				
Cash and Balances with Reserve Bank of India	929097	858580	929110	858597
Balances with Bank and Money at Call and Short Notice	1213092	1346952	1216804	1350054
Investments	6771402	5513607	6850231	5580528
Advances	15206074	15075270	15206074	15075269
Fixed Assets	313209	319185	314762	320307
Other Assets	838557	590194	859991	611508
Total	25271431	23703788	25376972	23796263


(Usha Ananthasubramanian)
Managing Director & CEO

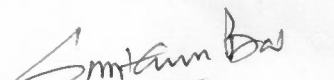

(B. K. Sahoo)
Director

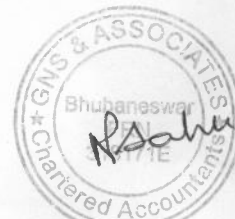

(N. K. Sahoo)
Executive Director


(S. Harisankar)
Executive Director


(S. Aggarwal)
General Manager (F&A) & CFO


(S. K. Jain)
Dy. General Manager

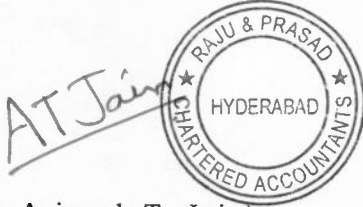

(S. Bal)
Asst General Manager



Statutory Central Auditors

(In terms of our report of even date)

For **M/s Raju & Prasad**
Chartered Accountants
FRN : 003475S



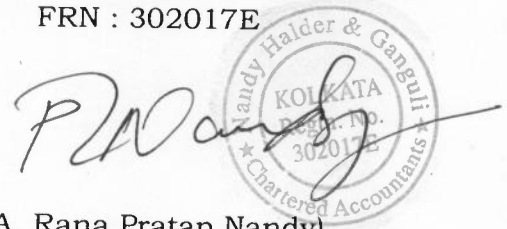
(CA. Avinash T. Jain)
Partner
Membership No.- 041689

For **M/s Kansal Singla & Associates**
Chartered Accountants
FRN : 003897N



(CA. Surinder Kumar)
Partner
Membership No.- 070405

For **M/s Nandy Halder & Ganguli**
Chartered Accountants
FRN : 302017E



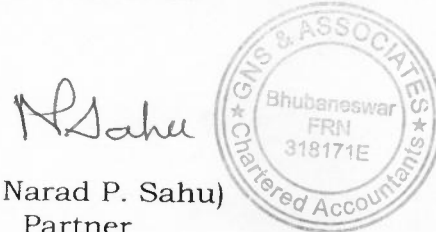
(CA. Rana Pratap Nandy)
Partner
Membership No.- 051027

For **M/s De & Bose**
Chartered Accountants
FRN : 302175E



(CA. Tarit Dasgupta)
Partner
Membership No. - 053380

For **M/s G N S & Associates**
Chartered Accountants
FRN : 318171E



(CA. Narad P. Sahu)
Partner
Membership No. - 055224

Place : Kolkata

Date : 11.05.2018

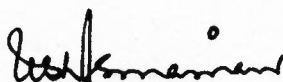
AL LAHABAD BANK
SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
FOR THE QUARTER AND YEAR ENDED 31.03.2018

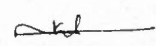
(₹ in Lakh)

Particulars	Quarter Ended			Year ended		Year ended (Consolidated)	
	31.03.18 (Audited)	31.12.17 (Reviewed)	31.03.17 (Audited)	31.03.18 (Audited)	31.03.17 (Audited)	31.03.18 (Audited)	31.03.17 (Audited)
PART A. Business Segment							
a) Segment Revenue							
i) Treasury Operations	127516	145102	162808	601218	611927	601218	611927
ii) Corporate/Wholesale Banking	86629	140037	141291	522720	676798	522720	676798
iii) Retail Banking	183048	166784	174006	676232	679157	676232	679157
iv) Other Banking Operations	28744	23610	32402	104935	62591	148582	90011
Total	425937	475533	510507	1905105	2030473	1948751	2057894
Less: Inter Segment Revenue	0	0	0	0	0	0	0
Net Sales/Income from Operation	425937	475533	510507	1905105	2030473	1948751	2057894
b) Segment Result							
Profit (+) / Loss (-) before Tax & after interest from each segment							
i) Treasury Operations	14891	35992	60128	179416	195343	179416	195343
ii) Corporate/Wholesale Banking	-80937	-11878	-26254	-136148	-61979	-136148	-61979
iii) Retail Banking	56394	49376	46413	217432	208221	217432	208221
iv) Other Banking Operations	21942	18727	26279	83132	45092	97230	4929
Total (Operating Profit)	12290	92217	106566	343832	386677	357930	39088
Less:							
i) Interest	0	0	0	0	0	0	0
ii) Other Un-allocable Expenditure	478342	241346	143016	1002934	447147	1003127	44720
iii) Other Un-allocable Income	0	0	0	0	0	0	0
Total Profit before Tax	(466,052)	(149,129)	(36,451)	(659,102)	(60,470)	(645,197)	(56,318)
Other Information							
Segment Assets							
i) Treasury Operations	6985353	6736382	5646095	6985353	5646095	6985353	564609
ii) Corporate/Wholesale Banking	10940578	10661086	11062302	10940578	11062302	10940578	1106230
iii) Retail Banking	6900664	6678773	6553169	6900664	6553169	6900664	655316
iv) Other Banking Operations	131627	127359	123037	131627	123037	235615	21439
v) Unallocated Assets	313209	315005	319185	313209	319185	314762	32030
Total Assets	25271431	24518605	23703788	25271431	23703788	25376972	2379626
Segment Liabilities							
i) Treasury Operations	6785620	6441250	5377981	6785620	5377981	6785620	537798
ii) Corporate/Wholesale Banking	10627754	10194006	10536991	10627754	10536991	10627754	1053699
iii) Retail Banking	6703354	6386165	6241981	6703354	6241981	6703354	624198
iv) Other Banking Operations	127864	121779	117195	127864	117195	194618	17749
v) Unallocated Liabilities	0	0	0	0	0	0	0
Total	24244592	23143200	22274148	24244592	22274148	24311346	2233444
Capital & Reserves	1026839	1375405	1429640	1026839	1429640	1065626	146181
Total Liabilities	25271431	24518605	23703788	25271431	23703788	25376972	2379626
c) Capital Employed							
Segment Assets-Segment Liabilities							
i) Treasury Operations	199733	295132	268114	199733	268114	199733	26811
ii) Corporate / Wholesale Banking	312824	467080	525311	312824	525311	312824	52531
iii) Retail Banking	197310	292608	311188	197310	311188	197310	31118
iv) Other Banking Business	3763	5580	5842	3763	5842	40997	3690
v) Unallocated Assets	313209	315005	319185	313209	319185	314762	32030
Total Capital Employed	1026839	1375405	1429640	1026839	1429640	1065626	146181
PART B. Geographic Segment							
a) Revenue							
i) Domestic	416378	466264	503798	1869255	1998677	1912901	202601
ii) International	9559	9269	6709	35850	31796	35850	3179
Total	425937	475533	510507	1905105	2030473	1948751	205789
b) Assets							
i) Domestic	23958928	23066471	22408738	23958928	22408738	24064469	225012
ii) International	1312503	1452134	1295050	1312503	1295050	1312503	12950
Total	25271431	24518605	23703788	25271431	23703788	25376972	237962

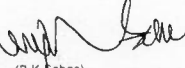
Notes on Segment Reporting:

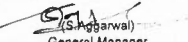
- As per guidelines of RBI on compliance with Accounting Standards, the Bank has adopted "Treasury Operations", "Corporate/Wholesale Banking", "Retail Banking" and "Other Banking Operations" as Primary business segments and "Domestic" and International as geographic segments for the purpose of compliance with AS-17 on Segment reporting issued by ICAI
- The figures of the previous period/year have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current Period.

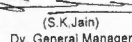

(Usha Ananthasubramanian)
Managing Director & CEO

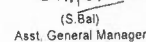

(N.K. Sahoo)
Executive Director


(S. Prasad)
Executive Director

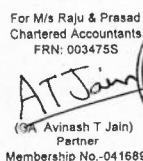

(B.K. Sahoo)
Director


(S. Aggarwal)
General Manager
(Finance & Accounts and CFO)


(S.K. Jain)
Dy. General Manager
(Finance & Accounts)


(S. Bai)
Asst. General Manager
(Finance & Accounts)

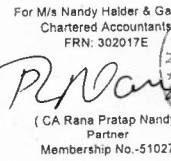
For M/s Raju & Prasad
Chartered Accountants
FRN: 0034755


(S. Avinash T. Jain)
Partner
Membership No.-041689

For M/s Kansal Singla & Associates
Chartered Accountants
FRN: 003897N


(CA Surinder Kumar)
Partner
Membership No.-070408

For M/s Nandy Halder & Ganguly
Chartered Accountants
FRN: 302017E


(CA Rana Pratap Nandy)
Partner
Membership No.-51027

For M/s De & Bose
Chartered Accountants
FRN: 302175E


(CA Tarit Dasgupta)
Partner
Membership No.-053380

For M/s G N S & Associates
Chartered Accountants
FRN: 318171E


(CA Narad P. Sahu)
Partner
Membership No.-055224

INDEPENDENT AUDITORS' REPORT

To

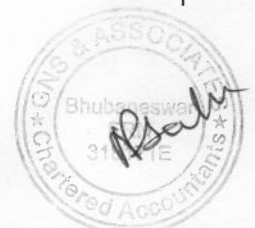
The Members of Allahabad Bank

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of the ALLAHABAD BANK as at 31st March, 2018, which comprise the Balance Sheet as at March 31, 2018, and the Profit and Loss account, and Cash Flow statement for the year then ended, a summary of significant accounting policies and other explanatory information thereon. Incorporated in these financial statements are the returns of various departments of Head Office, all the 49 zonal offices and 20 branches including 1 Integrated Treasury Branch, audited by us and 1652 branches audited by the statutory branch auditors and one overseas branch audited by the local auditor. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in these financial statements are the returns from 1623 branches/ offices which have not been subjected to audit. These unaudited branches account for 9.98 percent of advances, 36.57 percent of deposits, 8.57 percent of interest income and 34.98 percent of interest expenses of the Bank.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949, guidelines issued by the Reserve Bank of India from time to time and accounting standards generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.



Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by the books of the Bank, and to the best of our information and according to the explanations given to us :
 - (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March 2018 in conformity with the accounting principles generally accepted in India;



- (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of loss in conformity with the accounting principles generally accepted in India, for the year covered by the accounts ; and
- (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

- 7. We draw attention to para No. 4.8 of schedule 18 (Notes to consolidated Accounts) to the Financial Statement regarding recognition of Deferred Tax Assets (DTA) on account of business loss and unabsorbed depreciation for ₹ 1118.19 crore. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.
- 9. Subject to the limitations of the audit indicated in paragraphs 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.



10. We further report that:

- a) the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts and returns;
- b) the reports on the accounts of the branch offices audited by the branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- c) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

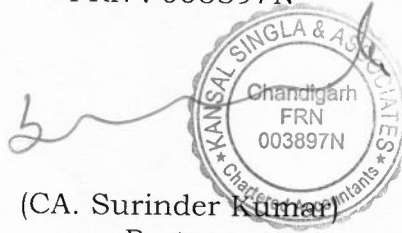
Statutory Central Auditors

For **M/s Raju & Prasad**
Chartered Accountants
FRN : 003475S



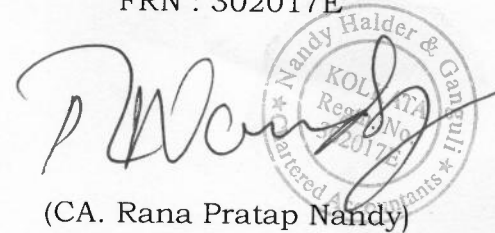
(CA. Avinash T. Jain)
Partner
Membership No.- 041689

For **M/s Kansal Singla & Associates**
Chartered Accountants
FRN : 003897N



(CA. Surinder Kumar)
Partner
Membership No.- 070405

For **M/s Nandy Halder & Ganguli**
Chartered Accountants
FRN : 302017E



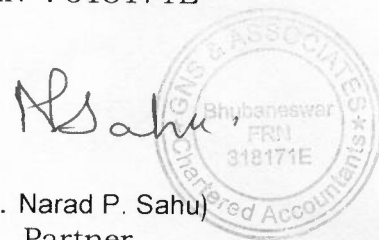
(CA. Rana Pratap Nandy)
Partner
Membership No.- 051027

For **M/s De & Bose**
Chartered Accountants
FRN : 302175E



(CA. Tarit Dasgupta)
Partner
Membership No. - 053380

For **M/s G N S & Associates**
Chartered Accountants
FRN : 318171E



(CA. Narad P. Sahu)
Partner
Membership No. - 055224

Place: Kolkata
Date: 11.05.2018

INDEPENDENT AUDITORS' REPORT

To

**The Board of Directors
Allahabad Bank**

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Allahabad Bank ("the Bank"), its subsidiary (since merged with the Bank on 01.04.2017) and an associate and two joint ventures (the Group), which comprise the Consolidated Balance Sheet as at March 31, 2018, Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the audited accounts of bank audited by us, audited accounts of one joint venture and unaudited accounts of one joint venture and one associate.

Management's Responsibility for the Consolidated Financial Statements

2. The Management of the Bank is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements", Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India and in accordance with the Banking regulation Act 1949 and applicable guidelines issued by the Reserve Bank of India from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the Group's jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Group; for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by the books of the bank, its one associate and two joint ventures (group) and to the best of our information and according to the explanations given to us:

- i. the consolidated Balance Sheet, read with the notes thereon is a full and fair consolidated Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the group comprising of Allahabad Bank, its one associate and



two joint ventures as at 31st March 2018 in conformity with the accounting principles generally accepted in India;

- ii. the consolidated Profit and Loss Account, read with the notes thereon shows a true balance of loss, in conformity with the accounting principles generally accepted in India, for the year covered by the account; and
- iii. the consolidated Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Other Matters

7. We did not audit the financial statements of:

- i. One Joint Venture Company i.e. Universal Sampo General Insurance Company Limited, which is an insurance company, whose financial statements are audited, reflect total assets of Rs. 3,078.41 Crore as at 31st March, 2018 and total revenues of Rs. 1,476.75 Crore for the year ended on that date.

These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the above joint venture, is based solely on the report of the respective auditors.

8. We did not audit the financial statements of:

- ii. The financial statements of one associate i.e. Allahabad U.P. Gramin Bank (RRB) whose financial statements are unaudited, reflect total asset of Rs. 12,153.27 Crore as at 31st March, 2018 and revenue of Rs.1,016.84 Crore for the year ended on that date.
- ii. The financial statements of one joint venture i.e. ASREC (India) Ltd., which is an asset reconstruction company, whose financial statements are unaudited and reflect the total assets of Rs. 188.51 Crore as at 31st March, 2018 and total revenue of Rs. 25.50 Crore as on that date.

We have relied on the unaudited financial statements, which have been consolidated on the basis of management certified financial statements.



9. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

10. Emphasis of Matter:

We draw attention to para no. 7.9 of Schedule 19 (Notes to Accounts) to the Financial Statement regarding recognition of Deferred Tax Assets (DTA) on account of business loss and unabsorbed depreciation for Rs. 1118.19 crore.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. The consolidated Balance Sheet and the consolidated Profit and Loss Account have been drawn up in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements", Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India, in accordance with the Banking Regulation Act, 1949 and the requirements of the Reserve Bank of India.

12. Subject to the limitations of the audit indicated in paragraphs 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein, we report that:

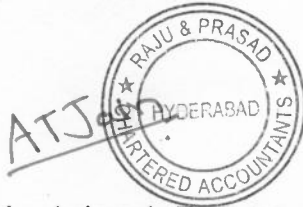
- a. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
- b. The transactions of Allahabad Bank, its one associate and two joint ventures (group), which have come to our notice, have been within the powers of the group comprising of Allahabad Bank, its one associate and two joint ventures.
- c. The returns received from Allahabad Bank, its one associate and two joint ventures (group) have been found adequate for the purposes of our audit.



13. In our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement comply with the applicable accounting standards.

Statutory Central Auditors

For **M/s Raju & Prasad**
Chartered Accountants
FRN : 003475S



(CA. Avinash T. Jain)
Partner
Membership No.- 041689

For **M/s Kansal Singla & Associates**
Chartered Accountants
FRN : 003897N



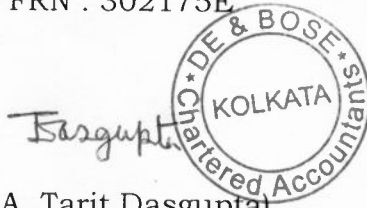
(CA. Surinder Kumar)
Partner
Membership No.- 070405

For **M/s Nandy Halder & Ganguli**
Chartered Accountants
FRN : 302017E



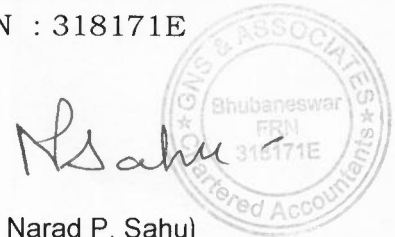
(CA. Rana Pratap Nandy)
Partner
Membership No.- 051027

For **M/s De & Bose**
Chartered Accountants
FRN : 302175E



(CA. Tarit Dasgupta)
Partner
Membership No. - 053380

For **M/s G N S & Associates**
Chartered Accountants
FRN : 318171E



(CA. Narad P. Sahu)
Partner
Membership No. - 055224

Place : Kolkata
Date : 11.05.2018