

LIMITED REVIEW REPORT

To,
The Board of Directors,
Punjab & Sind Bank,
New Delhi.

1. We have reviewed the accompanying statement of unaudited financial results of **Punjab & Sind Bank** for the quarter ended December 31, 2010. The financial results are the responsibility of the Bank's management and have been approved by the Board of Directors of the Bank. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400. Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The financial results incorporate the relevant returns of 20 branches reviewed by us, 287 branches reviewed by concurrent auditors specifically appointed for this purpose and unreviewed returns in respect of 636 branches. In the conduct of our Review, we have relied on the review reports in respect of non-performing assets and other areas received from concurrent auditors of 287 branches specially appointed for this purpose. These review reports cover 89.89 % of the advances portfolio of the Bank. Further, these Review Reports also cover 84.79 % of Gross NPA as on 31st December 2010. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank.
4. Based on our review as aforesaid and subject to the following:
 - i) *Note no. 2 regarding adjustments required on account of non reconciliation of balances and clearance/ identification of outstanding items in respect of various accounts of income, expenditure, assets and liabilities, the impact of which is not ascertainable*
 - ii) *Note no.7 in respect of adhoc provision of Rs. 50 crore made on account of pension liability of 2nd pension option offered to existing and retired employees and deferment and amortization of additional liability of gratuity amounting to Rs.115.61 crore in 5 years in equal installments on account of amendment in the Payment of Gratuity Act. 1972 in respect of maximum limit of payment of gratuity.*
 - iii) *Non creation of Deferred Tax Liability of Rs.226.29 crore in respect of differences on account of variation in the value of investment as per books of accounts and for income tax computation considering the difference to be permanent.*
 - iv) *Capital Adequacy as per Basel-I and Basel-II, Earning Per Share and other ratios disclosed by the Bank is subject to adjustments arising out of the Notes on Accounts, Accounting Policies and our remarks in para 4 (i),(ii) & (iii) above.*



nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For BANSAL SINHA & CO.
Chartered Accountants FRN 006184N


[HARI UBRIANI]
Partner
M. No. 084437



For BALRAM CHANDRA & ASSOCIATES
Chartered Accountants FRN 002817C


[BALRAM CHANDRA]
Partner
M. No. 070875




For ALKA & SUNIL
Chartered Accountants FRN 006739N


[SUNIL GUPTA]
Partner
M. No. 084119



For BHATIA & BHATIA
Chartered Accountants FRN 003202N


[UMA R. WADHWA]
Partner
M. No. 500198




For G.S. GOEL & CO
Chartered Accountants FRN 001415N


[G.S. GOEL]
Partner
M. No. 014428



For S.B.G. & CO
Chartered Accountants FRN 001818N


[SHRI BHAGWAN GUPTA]
Partner
M.No. 089415



Place: New Delhi
Dated: 21st January 2011

NOTES FORMING PART OF THE LIMITED REVIEW:

1. Accounting Policies followed in preparation of these Financial Results are same as followed in the Annual Financial Statements for the year ended 31st March 2010.
2. In some branches, balancing / reconciliation of accounts relating to Deposits, Advances, Balances with Banks/ Nostro Accounts, RTGS (Suspence), NEFT and inter branch heads are in progress. The Management is of the view that the impact of reconciliation if any on the Accounts of the Bank will not be material.
3. During the quarter under Review, the Bank has issued and allotted fresh 4.00 Crore Equity Shares of nominal value of Rs.10 each and raised Rs.470.82 Crore, including Share Premium of Rs.430.82 Crore which is subject to adjustment of issue expenses.
4. The working results for the quarter ended 31st December 2010 are reviewed by the Statutory Central Auditors as per Clause 41 of the Listing Agreement executed with Bombay Stock Exchange Limited and National Stock Exchange Limited for the Equity Shares listed on 30.12.2010. However, the working results for the corresponding quarter and nine months ended 31st December 2009 are un-reviewed.
5. The working Results have been arrived at after considering provisions for Non-Performing Assets, Standard Assets, Amortization of premium relating to Investment under 'Held to Maturity' category, Depreciation on Investments and Diminution in respect of Restructured Accounts as per RBI norms. Provision for applicable taxes, Depreciation on Fixed Assets and other usual and necessary provisions have been made on estimated basis and are subject to adjustment, if any at the year end.
6. The provision for Employees Benefits namely Pension, Gratuity, Leave Encashment, LFC/LTC, Sick Leave etc has been made on estimated basis.
7. Consequent upon the amendment in the Payment of Gratuity Act. 1972, the bank has provided a sum of Rs. 17.34 crores (Rs. 5.78 Crore for Current Quarter) being the proportionate sum for the 9 months ended on 31st Decemebre 2010 pending the approval from the Regulatory/Accounting Authority for amortisation of the total liability amounting to Rs.115.61 crore, as per Actuarial Valuation, over a period of five years. Besides, the liability on account of 2nd Pension Option offered to existing and retired employees under the wage settlement is not ascertainable with reasonable accuracy at this stage, however a sum of Rs.50 crore has been provided on ad-hoc basis. The required provision in this regard will be made at the year end as per Regulatory / Accounting guidelines.
8. The figures of previous period have been regrouped and reclassified wherever necessary in order to make them comparable with the figures of the current period.

9. Details of Investors complaint for the quarter ended 31st December 2010:

Beginning	Received	Disposed off	Lying unresolved
N.A	Nil	Nil	Nil

10. The above financial results have been subjected to Review by the Statutory Central Auditors of the Bank and have been approved by the Board of Directors at its meeting held on January 21, 2011.

Place : New Delhi

Date : 21st January 2011



PUNJAB & SIND BANK

Head Office: 21, Rajendra Place, New Delhi 110 008

Reviewed Financial Results For the Quarter/ Nine Months ended 31st December, 2010

(Rupees in Lacs)

Sl. No.	Particulars	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
		31.12.2010 Reviewed	31.12.2009 Un- Reviewed	31.12.2010 Reviewed	31.12.2009 Un- Reviewed	31.03.2010 (AUDITED)
1	INTEREST EARNED (a+b+c+d)	126038	98271	356700	285294	393418
	a).Interest/ discount on advances/bills	93320	68202	258500	199709	275370
	b) Income on Investments	32113	27798	94781	79934	109508
	c) Interest on Balances with RBI & Other Inter Bank Funds	249	2174	1236	5324	6613
	d) Others	356	97	2183	327	1927
2	Other Income	9210	7609	31705	26344	41181
3	TOTAL INCOME (1+2)	135248	105880	388405	311638	434599
4	Interest Expended	87414	65508	240016	199721	275023
5	Operating Expenses (i)+(ii)	24623	18654	76036	54354	71819
	i) Employees Cost	19209	14266	59576	41117	52964
	ii) Other Operating Expenses	5414	4388	16460	13237	18855
6	TOTAL EXPENDITURE (4+5) (excluding Provisions & Contingencies)	112037	84162	316052	254075	346842
7	Operating Profit before Provisions & Contingencies (3-6)	23211	21718	72353	57563	87757
8	Provisions (other than tax) and Contingencies	6090	6658	17381	15542	21111
9	Exceptional Items	0	0	0	0	0
10	Profit (+)/ Loss (-) from Ordinary Activities before tax (7-8-9)	17121	15060	54972	42021	66646
11	Tax Expense	3591	2600	15382	6056	15766
12	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	13530	12460	39590	35965	50880
13	Extraordinary items (net of tax expense)	0	0	0	0	0
14	Net Profit (+)/ Loss (-) for the period (12-13)	13530	12460	39590	35965	50880
15	Paid-up Equity Share Capital (Face Value Rs.10/-)	22306	18306	18306	18306	18306
16	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)					174631
17	Analytical Ratios					
	(i). Percentage of shares held by Government of India	82.07	100	82.07	100	100
	(ii) Capital Adequacy Ratio: Basel-I	12.85	12.11	12.85	12.11	11.74
	Basel-II	14.13	14.18	14.13	14.18	13.10
	(iii) Earning per share (of Rs.10/- each) (Not Annualised) (Rs.)					
	(a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (not annualized)	7.32	6.81	21.56	19.65	26.98
	(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	7.32	6.81	21.56	19.65	26.98
	(iv) (a) Amount of Gross Non Performing Assets	34356	23553	34356	23553	20615
	(b) Amount of Net Non Performing Assets	16414	10325	16414	10325	11663
	(c) % of Gross NPAs	0.91	0.85	0.91	0.85	0.63
	(d) % of Net NPAs	0.44	0.37	0.44	0.37	0.36
	(v) Return on Assets (Annualised)	0.90	1.01	0.92	1.03	1.05
18	Public Shareholding:					
	No. of Shares	40000000	Nil	40000000	Nil	Nil
	Percentage of Shareholding	17.93	Nil	17.93	Nil	Nil



Sl. No.	Particulars	QUARTER ENDED		NINE MONTHS ENDED		YEAR ENDED
		31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
		Reviewed	Un-Reviewed	Reviewed	Un-Reviewed	(AUDITED)
19	Promoters and promoter group Share holding					
	(a) Pledged/ Encumbered					
	Number of shares	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	Percentage of Shares (as a % of the total share capital of Bank)	Nil	Nil	Nil	Nil	Nil
	(b) Non-encumbered					
	Number of shares	183056000	183056000	183056000	183056000	183056000
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	Percentage of Shares (as a % of the total share capital of Bank)	82.07	100.00	82.07	100.00	100.00

NOTES FORMING PART OF THE LIMITED REVIEW:

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9. Details of Investors complaint for the quarter ended 31st December 2010:

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10. The above financial results have been subjected to Review by the Statutory Central Auditors of the Bank and have been approved by the Board of Directors at its meeting held on January 21, 2011.


[G.S. ARORA]
GENERAL MANAGER [ACCOUNTS]


[H.S. MAKKER]
CHIEF GENERAL MANAGER


[P.K. ANAND]
EXECUTIVE DIRECTOR

For BANSAL SINHA & CO.
Chartered Accountants FRN 006184N


[HARI UBRIANI]
Partner
M. No. 084437




For BALRAM CHANDRA & ASSOCIATES
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[SHRI BHAGWAN GUPTA]
Partner
M.No. 089415



Place: New Delhi
Dated: 21st January 2011

Segment Reporting:**A: BUSINESS SEGMENT:**

For the purpose of segment reporting in terms of AS-17 of ICAI and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e. a) Treasury Operations b) Corporate/wholesale Banking, c) Retail Banking and d) Other Banking Operations. Segmental Revenue, Results, Assets & Liabilities in respect of Corporate / Wholesale and Retail Banking segment have been bifurcated on the basis of exposure to these segments. Assets and Liabilities, wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of pro-rata segment revenue.

(Rupees in lacs)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	31.12.10 (Reviewed)	31.03.10 (Audited)	31.12.10 (Reviewed)	31.03.10 (Audited)	31.12.10 (Reviewed)	31.03.10 (Audited)	31.12.10 (Reviewed)	31.03.10 (Audited)	31.12.10 (Reviewed)	31.03.10 (Audited)
Revenue	33563	120414	77418	229255	24089	83798	178	1132	135248	434599
Result	3264	16467	24300	73565	7561	26890	178	1132	35303	118054
Unallocated expenses									12092	30297
Operating Profit									23211	87757
Provisions & Contingencies									6090	21110
Income Tax									3591	15766
Extra Ordinary Profit/ Loss	0	0	0	0	0	0	0	0	0	0
Net Profit									13530	50881
Other Information:										
Segment Assets	1774317	1815291	3214595	2795128	1000246	1021691	0	0	5989158	5632110
Unallocated Assets									35892	34378
Total Assets									6025050	5666488
Segment Liabilities	1674977	1735024	3034618	2671535	944245	976514	0	0	5653840	5383073
Unallocated Liabilities									24270	21854
Total Liabilities									5678110	5404927

Note: This being the first quarterly results prepared by the bank, relevant data for corresponding previous quarter ended 31.12.2009 is not available.

B: GEOGRAPHIC SEGMENT:

Since the Bank does not have any Overseas branch, reporting under Geographic Segment is not applicable.

