

HIGHLIGHTS:

Punjab & Sind Bank is a GoI undertaking, incorporated in June 1908 in Amritsar. PSB is one of the six banks nationalized by the GoI in April 1980, and today, PSB is one of 19 nationalized banks in India. In the annual Business Today-KPMG survey of Best Banks in India 2008, PSB is ranked number one on the list of ‘Small Sized Best Banks in India’ (*i.e.* banks with a then balance sheet size of less than Rs. 24,000 crore).

Issue Highlights:

Books Open : 13/12/2010
Books Close : 16/12/2010
Face Value : Rs. 10/-
Bid Lot : 50 Eq Shares
Price : Rs. 113 - Rs.120

In over 100 years of operation, PSB have significantly grown branch network with a presence predominantly in north India. As on July 31, 2010, PSB’s network comprised of 920 branches and 63 ATMs across India. PSB also sponsor one regional rural bank, Sutlej Gramin Bank, in collaboration with the GoI and the state Government of Punjab. As on July 31, 2010, PSB had a total of 8,116 employees, serving over 0.60 crore customers.

PSB’s primary business is taking deposits, and making advances and investments, and is principally divided into retail banking, corporate banking, priority sector banking, treasury operations and other banking services such as agency functions for insurance, distribution of mutual funds and pension and tax collection services. PSB have various deposit products, such as current, savings and term deposits for customers. In retail banking, PSB provide loans and advances for housing, trade, automobiles, consumer durables, education and personal loans.

PSB provide commercial banking products and services to corporate customers, including mid-sized and small businesses and government entities.

In corporate banking, PSB’s loan products include term loans to finance capital expenditure of assets across various industries as well as short-term loans, cash and export credit and other working capital financing and bill discounting facilities. PSB also provide credit substitutes, such as letters of credit and guarantee. PSB also engage in syndication of loans provided by other financial institutions and other fee-based services such as cash management and remittance services.

In the priority sector, PSB offer direct financing to farmers for production, as well as indirect financing for infrastructure development and credit to suppliers of agricultural inputs. PSB also offer a wide range of general banking services to customers including ATM cards, cash management, remittance services and collection services.

This issue has been graded by CARE & has been assigned a grade of 4/5 indicating above average fundamentals.

FINANCIALS:

(Rs. in Cr.)

PARTICULARS	30.09.2010	2010	2009
Total Income	2522.95	4326.30	3630.71
Total Expenditure	2010.37	3458.30	2902.62
PAT	276.38	501.13	434.41
Fixed Assets	56.31	52.67	50.89
Net Worth	2382.07	2106.58	1617.15

PEER GROUP COMPARISON:

Name	EPS (Rs.)	P/E	F.V. (Rs.)	B.V. (Rs.)
Punjab & Sind Bank	26.70#		10	104.15#
Andhra Bank [^]	21.6	8	10	90.9
Bank Of Maharashtra [^]	10.2	7.1	10	55.8
Vijaya Bank [^]	11.7	8.7	10	73.0

[^]Source: The above accounting ratios have been calculated from the annual report of the banks for fiscal 2010 which are on standalone basis & stock prices as on Nov. 19,2010 have been taken from www.nseindia.com for calculation of P/E

#Source: The accounting ratios have been calculated from the restated financial statements of the bank for the year ended March 31, 2010.

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